

AGENDA

A meeting of the MPO TAC will be held on **Monday, July 28, 2025, at the Provo Historic Court House Ballroom, 51 South University Ave., Provo** and virtually via Zoom:

MPO TAC <https://us06web.zoom.us/j/81206127894>. [Driving Directions](#)

1. Welcome and Introductions

Chair, Jered Johnson, 5 minutes

2. Public Comment

Chair, Jered Johnson, 5 minutes

3. Action: Minutes of the MPO TAC meeting held [June 23, 2025](#)

Chair, Jered Johnson, 5 minutes

4. Action: [2026 TIP Adoption](#)

Bob Allen, Interim Transportation Manager, 5 minutes

5. Action: [Corridor Preservation, Payson 800 South](#)

Kendall Willardson, Transportation Planner, 5 minutes

6. Action: [RTP: 2027 Process Development Update \(Work Plan\)](#)

Kendall Willardson, Transportation Planner, 15 minutes

7. [RTP: 2027 Wasatch Choice Vision Land Use Vision Draft](#)

Dan Wayne, Community Planning Manager, 15 minutes

8. [TIP Environmental Guidance](#)

Bob Allen, Acting Transportation Manager, 10 minutes

Andrea Moser, Biowest

The MPO TAC holds public meetings in-person, with a virtual option. Persons interested in providing comments can reach out to Kimberly Brenneman at 801-229-3817 or kbrenneman@magutah.gov or attend the meeting and comment during the public comment period.

Pursuant to the Americans with Disabilities Act, individuals needing special accommodations should notify Kimberly Brenneman at 801-229-3817, kbrenneman@magutah.gov at least 24 hours prior to the meeting.

The minutes listing meeting attendees, discussion summary, and motions as well as the meeting video recording will be made available online at <https://magutah.gov/mpotac/> after committee approval.

MPO TAC Meeting

July 28, 2025 | 1:30 pm - 3:00 pm



9. [2023 RTP Amendment #3 Introduction](#)

Kendall Willardson, Transportation Planner, 5 minutes

10. Other Business and Adjournment

Next meeting: August 25, 2025

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MPO TAC Meeting

June 23, 2025 | 1:30 pm - 3:00 pm



Member Attendees	Present	MAG Staff	Present
Ryan Robinson, Alpine		LaNiece Davenport, MPO Director	✓
Ben Hunter, American Fork - Vice Chair	✓	Bob Allen, Sr. Transportation Planner	✓
Mayor Wyatt Cook, Cedar Fort		Calvin Clark, Transportation Project Manager	✓
Chandler Goodwin, Cedar Hills		Kimberly Brenneman, Executive Assistant	✓
Todd Taylor, Draper		Andrew Wooley, IT Manager	✓
David Salazar, Eagle Mountain	✓	Kendall Willardson, Transportation Planner	✓
Royce Swenson, Elk Ridge		Spencer Foster, LAA	✓
Mayor Hollie McKinney, Fairfield			
Mayor Neil Brown, Genola			
Mayor Steven Staheli, Goshen			
Chris Trusty, Highland	✓		
Brad Kenison, Lehi	✓		
Noah Gordon, Lindon	✓		
Rob Hunter, Mapleton	✓		
Taggart Bowen, Orem	✓		
Jill Spencer, Payson	✓		
Aaron Wilson, Pleasant Grove	✓		
Vern Keeslar, Provo			
, Salem			
Jason Bond, Santaquin	✓		
Jeremy Lapin, Saratoga Springs	✓		
Jered Johnson, Spanish Fork - Chair	✓		
Brad Stapley, Springville			
Rob Clayton, UDOT - Region 3			
Alem Beim, UTA	✓		
Ezra Nair, Utah County			
Richard Nielson, Utah County	✓		
Eric Ellis, Vineyard	✓		
, Woodland Hills			
COL Jason T. Wilde, Camp Williams*			
Bruce Katchner, Bluffdale*			
Trisha Sharma, FHWA*	✓		
Peter Hadley, FTA*			
Elizabeth Slade, Utah Air Quality Board*	✓		
Alternates/ Others in Attendance			
David Michelsen, Alternate for Provo		Michael Florence	
Jeff Anderson, Alternate for Springville		Naseem Ghandour	
Alma Haskell, UTA		Rob Clayton	
Andy Spencer		Patrick James	
Jeff Lewis, UDOT		Seth Barrus	
Ivan Marrero, FHWA		Paul Evans	
John Dorny, Orem		Dede Murray, UTA	
		Nick Wilcox, UTA	

DISCUSSION & AGENDA ITEMS

Call to Order (00:00:17)

Chair Jered Johnson opened the meeting at 1:30 pm.

Public Comment (00:01:56)

Chair Jered Johnson opened the meeting to the public. There were no public comments.

Minutes - Action (00:02:10)

Rob Hunter moved to approve the minutes from April 28, 2025.

Jeff Anderson seconded the motion, and the motion passed all in favor.

TIP Modifications Springville - 800 S 800 E Roundabout - Additional Funds (00:02:47)

Bob Allen presented the Springville's 800 South and 800 East roundabout project. Originally awarded \$795,000 in county funds in 2020, the project's cost has increased to \$2.3 million due to inflation. The roundabout will be a five-legged design, creating a new connection to the south. Springville will handle construction management and inspection, reducing the total cost to \$2.2 million. They are requesting an additional \$1.331 million to complete the project. A question was raised about the significant cost increase, and it was explained that while the original estimate was low, the scope didn't change dramatically.

Richard Nielsen moved to recommend that the MPO Board add \$1,331,000 to the Springville 800 S 800 E intersection Project.

John Dorny seconded the motion, and the motion passed all in favor.

TIP Modifications Springville - Canyon Rd Trailhead - Additional Funds (00:07:53)

Bob Allen presented the second TIP modification for Springville, a smaller project involving a new trailhead at Hobble Creek Canyon Road and 2900 East. Originally awarded \$607,000 in TAP (Transportation Alternatives Program) funds in 2018, the project includes building a parking lot, bathroom, and connecting to the Hobble Creek Trail and Mapleton lateral canal trail. The current cost estimate is \$728,708, requiring an additional \$61,008 in TAP funds. It was explained that a spring collection area rehabilitation nearby had delayed the project's start, and they needed to complete that work before beginning the trailhead construction.

Aaron Wilson moved to recommend that the MPO Board add \$61,008 to the Springville Canyon Road Trailhead Project.

Brad Kennison seconded the motion, and the motion passed all in favor.

TIP Modifications Vineyard - Regional Trail Enhancements - Scope Change and Additional Funds (00:12:05)

Bob Allen presented the third TIP Modification for Vineyard City's regional trail enhancements project. Originally awarded \$842,000 in TAP funds in 2022, the project aims to improve trail crossings at two locations and realign the driveway of Lakeshore Sports Park. The project now includes adding a traffic signal at one location, which was not in the original scope. Due to inflation and the added signal, the total cost has increased to \$1.784 million. Vineyard City is requesting an additional \$857,767 in funding. A question was raised about the MAG exchange funds balance. Bob Allen clarified that currently there is about \$22 million, with approximately \$15-16 million available now, excluding contingency funds. The additional funds would likely come from the MAG exchange funds.

Brad Kennisson moved to recommend that the MPO Board approve adding a traffic signal to the scope of the Vineyard Regional Trail Enhancements project and \$857,767 in funding.

Aaron Wilson seconded the motion, and the motion passed all in favor.

2024 UTA On Board Survey report (00:17:33)

Dede Murray from UTA presented the 2024 On Board Survey results, a federally required study conducted every four to five years. The survey was performed between February and April, covering all fixed-route modes including bus, rail, and on-demand services, with weekend sampling for the first time. UTA collected almost 14,000 responses using tablet-based and camera-based survey methods. Key demographic findings showed that most riders are male, under 34 years old, earn less than \$45,000 annually, and are white/Caucasian. Notable trends included an increase in respondents with no vehicle in their household and a decrease in riders using transit five or more days per week. The survey also revealed an increase in zero-transfer trips and electronic card fare payments. For on-demand services, 76% of users were transit-reliant, and 78% did not have a driver's license. The complete report and data set will be available on UTA's website.

Corridor Preservation Saratoga Springs - Pony Express Parkway (00:25:56)

Calvin Clark presented the Corridor Preservation item for Pony Express Parkway in Saratoga Springs. Originally, four parcels were approved in October 2023 for \$2.5 million. The city quickly closed on two properties, but the owner of the other two properties had concerns about the appraisals and waited longer. Due to inflation and a clerical error that initially omitted closing costs, the total request for additional funding is \$187,500. The updated appraisals showed significant changes in property values, with one parcel increasing and another decreasing. The current unobligated fund balance is about \$10.2 million, which would reduce to \$6.6 million if all today's transactions are approved.

Ben Hunter moved to recommend that the MPO Board approve the addition of \$187,500 to the Saratoga Springs Pony Express Corridor Preservation project for the listed property acquisitions.

Richard Nielsen seconded the motion, and the motion passed all in favor.

Corridor Preservation Utah County - Loafer Mountain Parkway (00:29:41)

Calvin Clark presented the second Corridor Preservation request for Loafer Mountain Parkway in Utah County. The project involves acquiring portions of two large parcels, totaling approximately 20 acres, near I-15 and 8000 South. The road design includes a slight jog that impacts more parcels than originally anticipated. The first parcel is valued at \$1,469,900 and the second at \$1,235,400, with \$10,000 in closing costs for each, bringing the total request to \$2,725,300. It was noted that the land acquisition is contingent on the landowner annexing into Spanish Fork City for future development. The road's alignment will be crucial to the potential development.

Brad Kennison moved to recommend that the MPO Board approve Utah County's Corridor Preservation request for \$2,725,300 for the presented properties for the Loafer Mountain Parkway.

Jeremy Lapine seconded the motion, and the motion passed all in favor.

Corridor Preservation Provo - 2230 North (00:33:19)

Calvin Clark presented the final Corridor Preservation request for a single-family home in Provo located on 2230 North. The property is part of corridor H41, Phase One of the Regional Transportation Plan. The city was approached by a willing seller, and the appraised value of the home is \$650,000, with estimated closing costs of \$1,625. The total request is \$651,625. This property is located near previously acquired properties on the north side of the road, just before 900 East. Calvin Clark noted that Provo's closing costs are typically lower due to having staff who can manage the process efficiently.

Rob Hunter moved to recommend that the MPO Board approve this Provo City Corridor Preservation Fund request for \$651,625.

Eric Ellis seconded the motion, and the motion passed all in favor.

MAG MPO FY2026 Work Plan (UPWP) (00:36:03)

LaNiece Davenport presented the FY 2026 Unified Planning Work Program (UPWP), which is MAG's work plan detailing activities for the next 12 months. Since her May presentation, several changes were made: adding partner names, removing DEI language to align with the new administration, updating budgets with final federal partner estimates, and making minor document edits. The document underwent a 30-day public comment period with no comments received. LaNiece Davenport noted that FTA and FHWA need to approve the document, and they indicated MAG is on the right track.

Aaron Wilson moved to recommend that the MPO Board approve the FY2026 Unified Planning Work Program.

Brad Kennison seconded the motion, and the motion passed all in favor.

RTP: 2027 Process Update (00:39:23)

Calvin Clark presented the Regional Transportation Plan (RTP) 2027 process, explaining it's a federally required document updated every four years for air quality non-attainment areas. The RTP must contain major Utah County transportation projects for the next 30 years and is crucial for funding programs like the Transportation

Improvement Program (TIP) and Corridor Preservation. The draft timeline spans two years, focusing initially on goals, objectives, performance measures, and project eligibility criteria. They'll use a newly developed financial model to determine project phasing, with the goal of finalizing the plan by the second quarter of 2027. A consulting team will help with engagement, and the process will build upon the Wasatch Choice vision, emphasizing transportation choices, city and town centers, and regional goals. MAG staff will project manage the update, with bi-weekly coordination meetings with UTA. They plan multiple engagement opportunities, including small area workshops, larger group meetings, and continuous feedback mechanisms. The approach aims to be more strategic and thoughtful, allowing cities and stakeholders ample time to review and provide input throughout the process.

2026 TIP Draft - Pubic Comment Period Schedule (00:53:49)

Bob Allen discussed the upcoming Transportation Improvement Program (TIP) adoption cycle for 2026. While this is a biannual process for selecting new projects, the current cycle will not involve selecting new MAG-funded projects. The new project selection cycle will start in the fall and winter, culminating in finalizing new projects in 2026. However, the TIP remains a live document, with agencies like UTA continually adding or modifying projects. A 30-day public comment period will run from July 7 to August 11, with the draft document available on the MAG website. A public open house will be held in Orem on July 17 from 4-6 pm. The TIP is anticipated to be adopted by the board on August 14. Bob Allen noted that the next project selection will focus on funding for 2029 and 2030, with project ideas likely due in late October or early November.

Appoint Legislators to MPO Board (00:57:15)

LaNiece Davenport discussed the expansion of the MPO Board to include two legislators as voting members, a provision that has long been in their bylaws but never previously implemented. Staff met with Senate and House leadership to identify suitable representatives. They selected Senator McKell, who represents South Utah County, and House Representative Shallenberger, who is new to the legislature and serves on the Transportation and Infrastructure Committee. The goal is to enhance collaboration, ensure alignment with state and regional policies, and provide legislators an opportunity to understand and champion regional transportation needs. The new legislators will be invited to their first MPO b]Board meeting in August.

Other Business and Adjournment (00:59:57)

Chair Jered Johnson stated the next MPO TAC meeting is scheduled for August 25, 2025.

Richard Nielsen moved to adjourn the meeting.

Rob Hunter seconded the motion, and the motion passed all in favor.

4 | Action: 2026 TIP Adoption

Bob Allen, Interim Transportation Manager | 801-229-3813 | rallen@magutah.gov

BACKGROUND

The Metropolitan Planning Organization (MPO) MAG is responsible for preparing and approving a Transportation Improvement Program (TIP) for the region. The TIP lists transportation projects and programs within the MPO for the fiscal years 2026–2030. Conceptual projects are listed through 2031. Regardless of the selection agency, all regional projects listed in the TIP must be approved by the MPO committees and come from Phase 1 of the RTP.

The 2026 TIP includes 215 projects totaling over \$3.9B. This spring, the Transportation Commission funded a few major projects within Utah County that include:

- **I-15 Widening from Payson to the county line*: \$164 million:** This project will widen I-15 to three lanes through the southern portion of Utah County.
- **Santaquin Main Street Interchange*: \$115 million:** This project will reconstruct and expand the Santaquin Main Street interchange.
- **North Utah County Planning and Environmental Linkage Study: \$5 million:** This project will study east west corridors through northern Utah county including the feasibility of crossing Utah Lake.
- **I-15/Benjamin Interchange Environmental: \$3 million:** This project will complete the environmental process for a new interchange at this location.

**These projects are currently not listed as a Phase 1 funded project in the RTP and therefore will not be adopted into the TIP at this time. Once the project is amended into Phase 1 this fall, it will be added to the TIP at that time.*

As the MAG Public Participation Plan requires, the 2026 TIP began a 30-day public comment period on July 7th and will continue until August 11th. A public open house was held on July 17th, at MAG offices. We have not received any regionally significant comments. All projects conform to air quality standards and are fiscally constrained.

The 2026 TIP which includes all projects, descriptions, and funding, can be found at magutah.gov/tip.

STAFF RECOMMENDATION

MAG Staff recommends adoption of the 2026 TIP as presented.

SUGGESTED MOTION

I move to recommend that the MPO Board adopts the 2026 TIP as presented.

ATTACHMENT

[Presentation](#)



MAG

2026 Transportation Improvement Program (TIP)

July 28, 2025

2026 TIP Adoption

The Metropolitan Planning Organization (MPO) MAG has the responsibility of preparing and approving a Transportation Improvement Program (TIP) for the area.

The TIP lists transportation projects and programs within the MPO for the fiscal years 2026–2030. Conceptual projects are listed through 2031.

All regionally significant projects, regardless of the selecting agency, listed in the TIP must be approved by the MPO committees and come from Phase 1 of the RTP.





Statewide Transportation
Improvement Program
STIP

MAG TIP

UDOT Rural

TIPs from other
MPOs

MAG Projects

UDOT Projects

UTA Projects

Project Highlights

- **I-15 Widening from Payson to the county line*: \$145 million:** This project will widen I-15 to three lanes through the southern portion of Utah County.
- **Santaquin Main Street Interchange*: \$115 million:** This project will reconstruct and expand the Santaquin Main Street interchange.
- **North Utah County Planning and Environmental Linkage Study: \$5 million:** This project will study east west corridors through in northern Utah county including the feasibility of crossing Utah Lake.
- **I-15/Benjamin Interchange Environmental: \$3 million:** This project will complete the environmental process for a new interchange at this location.

** These projects are currently not listed as a Phase 1 funded project in the RTP and therefore will not be adopted into the TIP at this time. Once the project is amended into Phase 1 this fall, it will be added to the TIP at that time.*

Number of TIP Projects

215

Cost of Projects

\$3,938,688,007

Public Involvement

A 30-day public comment period began July 7th and will close on August 11th.

An open house was held on July 17th at MAG offices in Orem.

We have received no regionally significant comments.



Air Quality Conformity

- The TIP must be derived from a conforming RTP and be fiscally constrained
- MPO Board adopted TRANSPLAN50
- Conformity Determination
- Resolution



QUESTION, COMMENTS

Prepared by:

- Bob Allen, Interim Transportation Manager
- rallen@magutah.gov
- 801-229-3813

SUGGESTED MOTION

“I move to recommend that the 2026 TIP be adopted as presented, including the Air Quality Conformity Determination.”

5 | Corridor Preservation - Payson 800 South

Kendall Willardson, Transportation Planner | 801-229-3840 | kwillardson@magutah.gov

BACKGROUND

The Utah County Corridor Preservation Fund is a dedicated fund for the preservation of planned transportation corridors within Utah County. MAG and Utah County work together to approve purchases using this fund. Properties purchased using this fund become the property and responsibility of the applying city or county.

Payson is requesting funds to purchase one full parcel and one partial parcel of unimproved land in the 800 South corridor (**H107 Phase 3**) between 2400 West and 1700 West. The owner of both parcels is a willing seller.

Address	Appraised Cost	Closing Costs	Total Cost
744 South 1700 West	\$960,000	\$10,000	\$970,000
594 South 2400 West	\$75,700	\$10,000	\$85,700

Total funds requested = \$1,055,700

Estimated remaining fund balance = \$6,600,000

STAFF RECOMMENDATION

This request is within the purpose and policies of the Corridor Preservation Fund Program. The fund has an adequate balance, and the property is needed for the future 800 South extension.

SUGGESTED MOTION

I move to recommend that the MPO Board approve Payson's Corridor Preservation request for \$1,085,700 for the presented properties for the 800 South corridor.

ATTACHMENTS

[Presentation](#)

[Combined Figures](#)

[744 South 1700 West Application](#)

[594 South 2400 West Application](#)



MAG

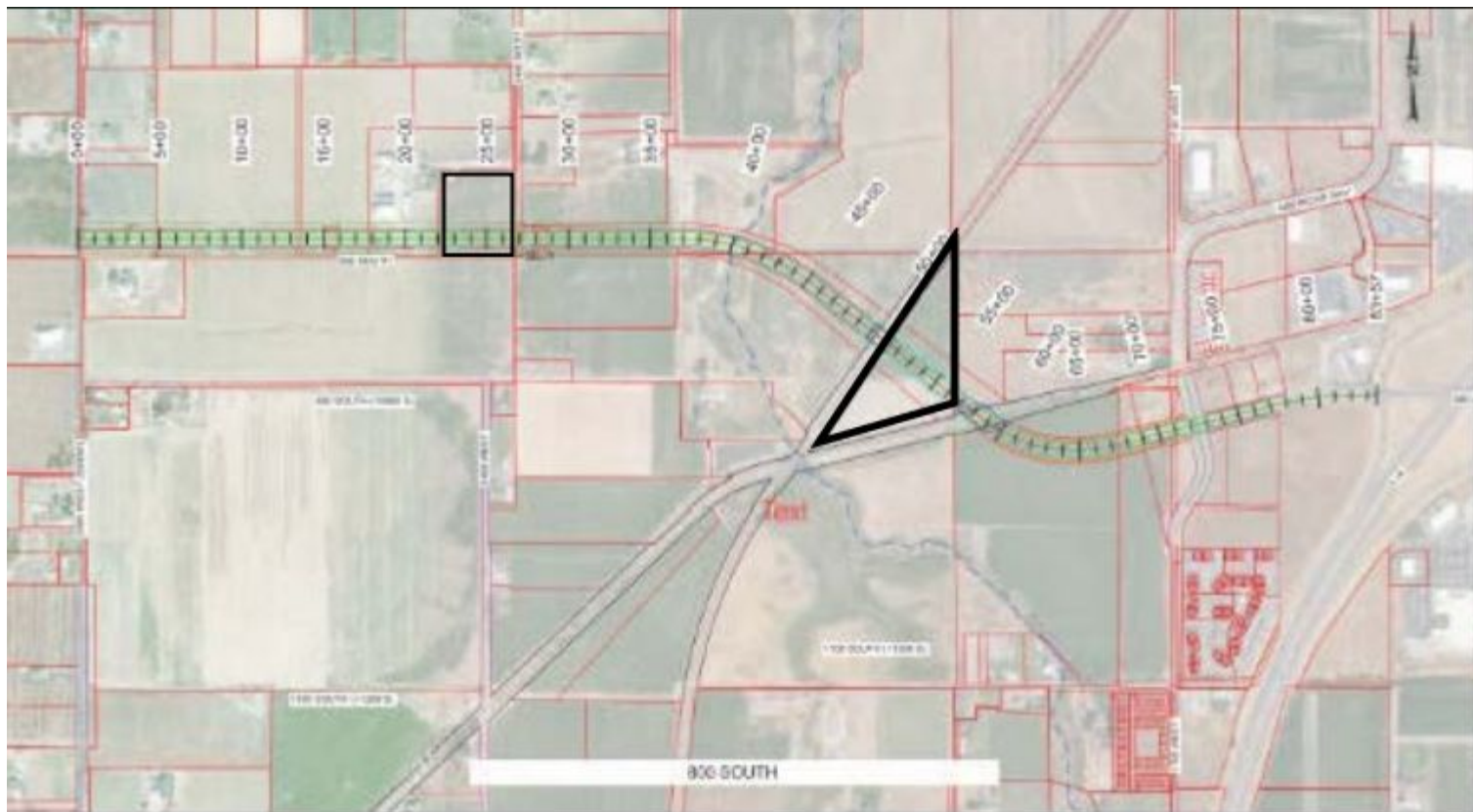
Corridor Preservation

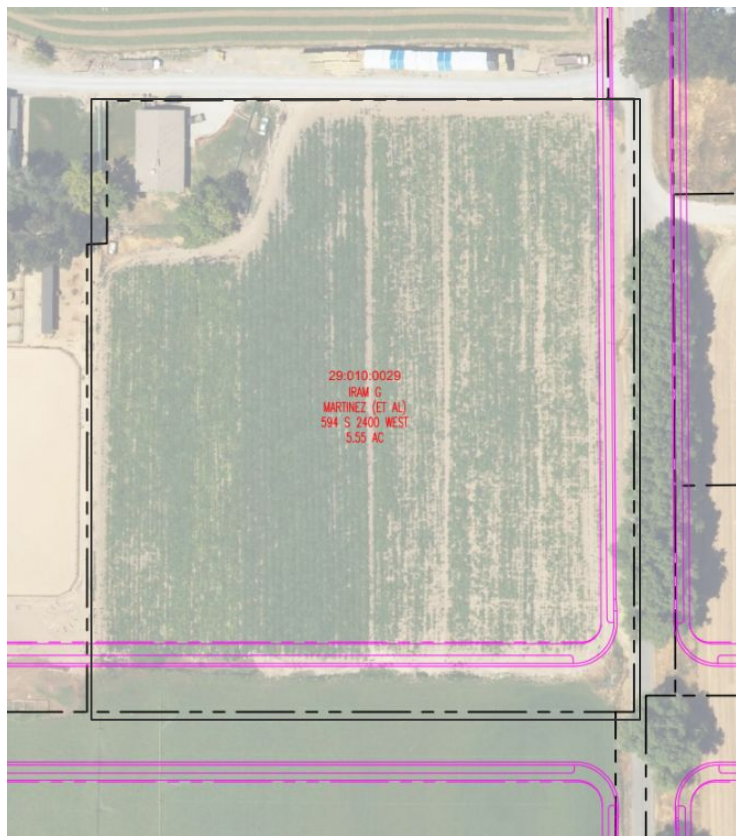
Payson 800 South

July 28, 2025

800 South

- Corridor H107 (RTP Phase 3)
- One full parcel and one partial parcel
 - 744 S 1700 W (full, 12.53 acre)
 - 594 S 2400 W (partial, 0.65 acre)
- Both owners approached the City as a willing seller





Properties

Approx Location	Appraised Cost	Closing Costs	Total Cost
744 South 1700 West	\$960,000	\$10,000	\$970,000
594 South 2400 West	\$75,700	\$10,000	\$85,700

- Total request: **\$1,055,700**
- Unobligated fund balance: \$6,600,000

SUGGESTED MOTION:

I move to recommend that the MPO Board approve Payson's Corridor Preservation request for \$1,085,700 for the presented properties for the 800 South corridor.

An aerial photograph of a rural area. A road runs diagonally from the bottom left towards the top right. A large, irregularly shaped area of land is outlined with a dashed black line. A solid magenta line runs diagonally across the image, from the top left towards the bottom right. In the bottom right corner, there are several smaller, irregularly shaped areas outlined with solid magenta lines. The text is located in the center-right of the image, overlaid on the main dashed black line boundary.

51:622:0002
FINCH FAMILY
PROPERTIES, LLC
744 S 1700 WEST
12.53 AC



29:010:0029
IRAM G
MARTINEZ (ET AL)
594 S 2400 WEST
5.55 AC

Local Corridor Preservation Fund

Application for Funds

Due to the limited amount of funds available, jurisdictions are strongly encouraged to exhaust other avenues for acquisition prior to applying.

Before consideration of awarding funds can occur, the following must be completed and submitted with this application:

- 1) Documentation by applicant of prior use of all appropriate resources available to the highway authority to acquire property rights, including but not limited to: use of other local funds, exactions, increased setback requirements, or other planning and zoning tools.
- 2) Initial approach to property owner and obtaining a certified property appraisal.
- 3) Securing of a Willing Seller Certification document.

Part 1: Use of Other Resources

Discuss with MAG staff the efforts to obtain the property by planning and zoning powers, development incentive, donation, or other means prior to applying for these funds. Document these efforts. MAG will convene a staff review of the application and documentation, flag any concerns or questions, and may request meetings with the applicant in order to resolve such, or to better understand the nature of the situation. Staff review should include CP/ROW, RTP, and Finance staff members.

Part 2: Initial Approach to Property Owner

Contact MAG staff prior to any discussions with the property owner of purchase price or commitments to purchase, and for any questions.

DO NOT tender any offer to purchase the property interest at this time.

If the property owner agrees to consider selling, the applicant orders a property appraisal from a certified appraiser that is acceptable to both parties. For properties intended for future use by UDOT, the appraiser should be listed on the current UDOT Consultant Services Right of Way Services and Local Government Pool. Copy and paste the following link into your browser:

<https://docs.google.com/spreadsheets/d/1UURcMt7UvhIkYqADHdApr5KGxXTdeD93WLwRKu8FVl4/edit#gid=922750991>

The costs of the appraisal can be reimbursed to the applicant if the funding request is approved.

Part 3: Application

1. Applicant (city, Utah County, UDOT):
2. Contact Information:
3. Provide information about the properties to be acquired:
 - a. Name of the current owner(s):
 - b. Address or location of the properties:
 - c. Utah County parcel serial #:
 - d. Type of real property interest to be acquired: (fee title, easement, etc.,)
 - e. Total acreage or square footage:
 - f. Describe the efforts to obtain the property by planning and zoning powers, development incentive, donation, or other means prior to applying for these funds.
 - g. Appraised value (Attach copy of appraisal report):
 - h. Total estimated costs of acquisition, including appraisal and appraisal review, acquisition agent fee, closing costs, and any other associated fees:
 - i. Total funds applying for - these should be no more than the appraised value plus traditional costs of acquisition in (h) above:
4. Which Eligible Corridor is the project located within or adjacent to? (see Corridor Preservation – Eligible Corridors map):
5. Anticipated year or RTP phase to begin project roadway construction:
6. Is the project listed on the applicant's official master plan?
7. Has the applicant begun or completed a relevant state or federal environmental study?
 - a. Study results:
 - b. If not, is the applicant willing to conduct such a study?
8. Will the roadway be a UDOT or a local government facility?

If the project will be a state facility and the applicant is a city or county, attach copies of:

Either

- a. Applicant's transportation right of way acquisition policy or ordinance.
- b. Applicant's access management policy relevant to the type of roadway to be constructed.

OR

- c. The executed Cooperative Agreement between the applicant and the Utah Department of Transportation governing right of way acquisition performed by the applicant for UDOT.

NOTES – 1) It is highly recommended that any purchases for a state facility be negotiated and finalized by UDOT Right of Way Division. 2) After funds are awarded but prior to any offer of purchase, UDOT and Utah County must execute a repurchase agreement specific to the property.

9. Attachments:

- c. One 8" x 11" map in PDF form clearly indicating the future roadway project extents and the location of the properties to be acquired, with detail showing parcel boundaries and anticipated right of way footprint (will be used in presentations to the TAC and the Board).
- d. Copy of appraisal report.
- e. Copy of executed Willing Seller Certification.

Submit the completed application and maps to by email to Calvin Clark - cclark@mountainland.org

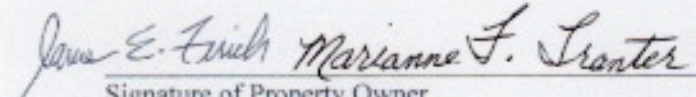
VOLUNTARY ACQUISITION Certification

Owner Name: Finch Family PropertiesUtah County Parcel ID#: 51-622-0002

Payson City is interested in acquiring property at
744 S 1700 West, Payson, UT 84651 (address) for the future
800 South project.

Although Payson City possesses eminent domain authority to acquire property, we are not pursuing this acquisition by eminent domain or other coercion, and you hereby certify that you are only selling this property to us voluntarily for the agreed upon amount.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition, are **not** eligible for relocation assistance. Property Owner understands and acknowledges that if they waited for the funded project, they would be eligible for relocation benefits pursuant to 49 CFR 24. By signing below, the Property Owner understands and acknowledges that they are not entitled to any relocation benefits for the voluntary purchase of the property in advance of a funded project and freely chooses to sell the property to Payson City before the project is funded.


Signature of Property Owner05/23/2025
Date
Purchasing Entity Representative04/28/2025
Date



Payson Vacant Land Parcel 51-622-0002

744 South 1700 West
Payson, Utah 84651

APPRAISAL REPORT

Date of Report: June 26, 2025
Colliers File Number: SLC250330

Prepared for

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue
Payson, UT 84651

Letter of Transmittal



June 26, 2025

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue

Payson, UT 84651

RE: Payson Vacant Land Parcel 51-622-0002

744 South 1700 West
Payson, Utah 84651

Colliers File #: SLC250330

Mr. Jockumsen:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Payson City and Colliers Valuation & Advisory Services.

The date of this report is June 26, 2025. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Fair Market Value of the subject property's fee simple interest. The intended use of this appraisal is to assist the client in negotiating the purchase of the entire subject property for future road right-of-way purposes. The effective date is June 19, 2025, which is the date of our inspection of the property.

Property Information

The subject's larger parcel is a 12.53-acre site of raw land at 744 South 1700 West in Payson, Utah. The property is used for agriculture, with no existing structures or utility improvements in place. While the site does have legal access via an easement, it does not currently have direct access from an improved public street. As such, the existing access is adequate to support agricultural operations, but it does not meet the access standards required for residential construction or more intensive development under local building and fire code requirements.

The property is located in an area that has historically been used for agriculture. Although we do not have direct contact information for the property owner, the condition of the land and the surrounding area suggests a pattern of agricultural use. According to the Utah Division of Water Rights, there is no water right associated with the larger parcel. This appraisal includes no water rights. The MLS listing of the subject property reports 17.56-acre feet of irrigation water, which we assume are water shares appurtenant to the property. The opinion of value in this report includes the value of these water shares.

The property is in west Payson, an area undergoing transition from agricultural use to a mix of residential, commercial, and industrial development. It is currently zoned A-5-H (Annexation Holding Zone), which allows for agricultural and limited residential uses, and is intended to preserve land for potential future development in

alignment with the city's general plan. This area of west Payson is experiencing ongoing growth, with increasing interest from developers and gradual expansion of infrastructure. As a result, it has become one of the more active parts of the city for new residential, commercial, and industrial development. Land values in the A-5-H zone, particularly east of the railroad tracks, can be speculative, as pricing often reflects expectations around future rezoning, utility extension, and access improvements. Buyers frequently consider the potential for higher-density development when evaluating properties in this transitional area.

According to the city engineer, in the absence of the planned road corridor across the subject property, the site would hypothetically be eligible for rezoning if access were obtained from American Way approximately 1,400 feet to the east via the acquisition of a 58-foot-wide corridor from the adjoining parcel to the east, and if utilities were extended along that corridor to the site. While the exact zoning designation is uncertain, he reported that it would likely be eligible for the Business Park Development (BPD) zone.

The subject's highest and best use as-vacant and under the hypothetical condition that the proposed road corridor project does not exist, is to hold for future development. The most likely buyer is someone interested in using the property for agricultural purposes in the near term, while also recognizing its long-term development potential.

The subject property was listed for sale at \$1,000,000 on May 14, 2024. The MLS listing reported the property under contract on June 18, 2025. Despite multiple attempts to contact the listing agent to obtain information about listing activity and the contract price, no responses were received. Our final concluded value of \$960,000 is 4% below the list price, which is reasonable given the property type and marketing time.

Project Information

A future road corridor is planned to cross the subject property as part of Payson City's long-range transportation infrastructure. According to the Payson Transportation Master Plan, the project impacting the subject is referred to as Project #19. It will extend 800 South eastward from 1700 West, continuing across the subject property and ultimately connecting to 2400 West. The planned roadway is designated as a minor arterial. While the city engineer indicates that no specific construction timeline has been established, the project is included in Phase 2 of the master plan, which outlines improvements anticipated to occur between 2031 and 2050.

In accordance with the Project Influence Rule, this appraisal assumes that the public project necessitating the acquisition — in this case, a proposed road corridor — does not exist and has had no influence on the subject property or the surrounding market. This approach is required under the Uniform Standards of Professional Appraisal Practice (USPAP) and Utah Code § 78B-6-511, both of which mandate that just compensation in eminent domain be based on the market value of the property as if unaffected by the project for which the property is being acquired. Accordingly, this report is developed under a hypothetical condition that the proposed road project had not been contemplated, announced, or planned as of the effective date of value. This ensures that the valuation reflects fair market value as defined under applicable law.

The following table conveys the final opinion of fair market value of the subject property that is developed within this appraisal report:

Analysis of Value Conclusions	
Valuation Indices	As-Is Fair Market Value
Interest Appraised	Fee Simple
Date of Value	June 19, 2025
Final Value Conclusion	\$960,000
\$/SF	\$1.76

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

Extraordinary Assumptions

It is an extraordinary assumption that our estimated size of the unusable railroad easement along the subject's southern boundary is accurate. If this assumption is found to be incorrect, the opinions of value expressed in this report could be affected.

It is an extraordinary assumption, based on the current MLS listing of the subject, that there are irrigation water shares equivalent to 17.56 acre-feet appurtenant to the site. Our opinion of value includes the value of these water shares. If this assumption is found to be incorrect, the opinions of value expressed in this report could be affected.

Hypothetical Conditions

This appraisal is developed under the hypothetical condition that the proposed road corridor project does not exist and has no effect on the subject property's market value. This condition is applied in accordance with the Project Influence Rule, as required by the Uniform Standards of Professional Appraisal Practice (USPAP) and Utah Code § 78B-6-511. The valuation reflects the property's market value as of the effective date, as if the public project had never been contemplated, announced, or planned.

Reliance Language

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers Valuation & Advisory Services, by a party satisfactory to Colliers Valuation & Advisory Services. Colliers Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

Colliers Valuation & Advisory Services



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Letter of Transmittal

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Executive Summary

General Information

Property Name	Payson Vacant Land Parcel 51-622-0002
Property Type	Land - Agricultural Land
Address	744 South 1700 West
City	Payson
State	Utah
Zip Code	84651
County	Utah County
Core Based Statistical Area (CBSA)	Provo-Orem, UT
Market	Utah County
Submarket	Payson
Latitude	40.031650
Longitude	-111.769160
Number Of Parcels	1
Assessor Parcel	51-622-0002
Total Taxable Value	\$7,643
Census Tract Number	105.04

Larger Parcel Information

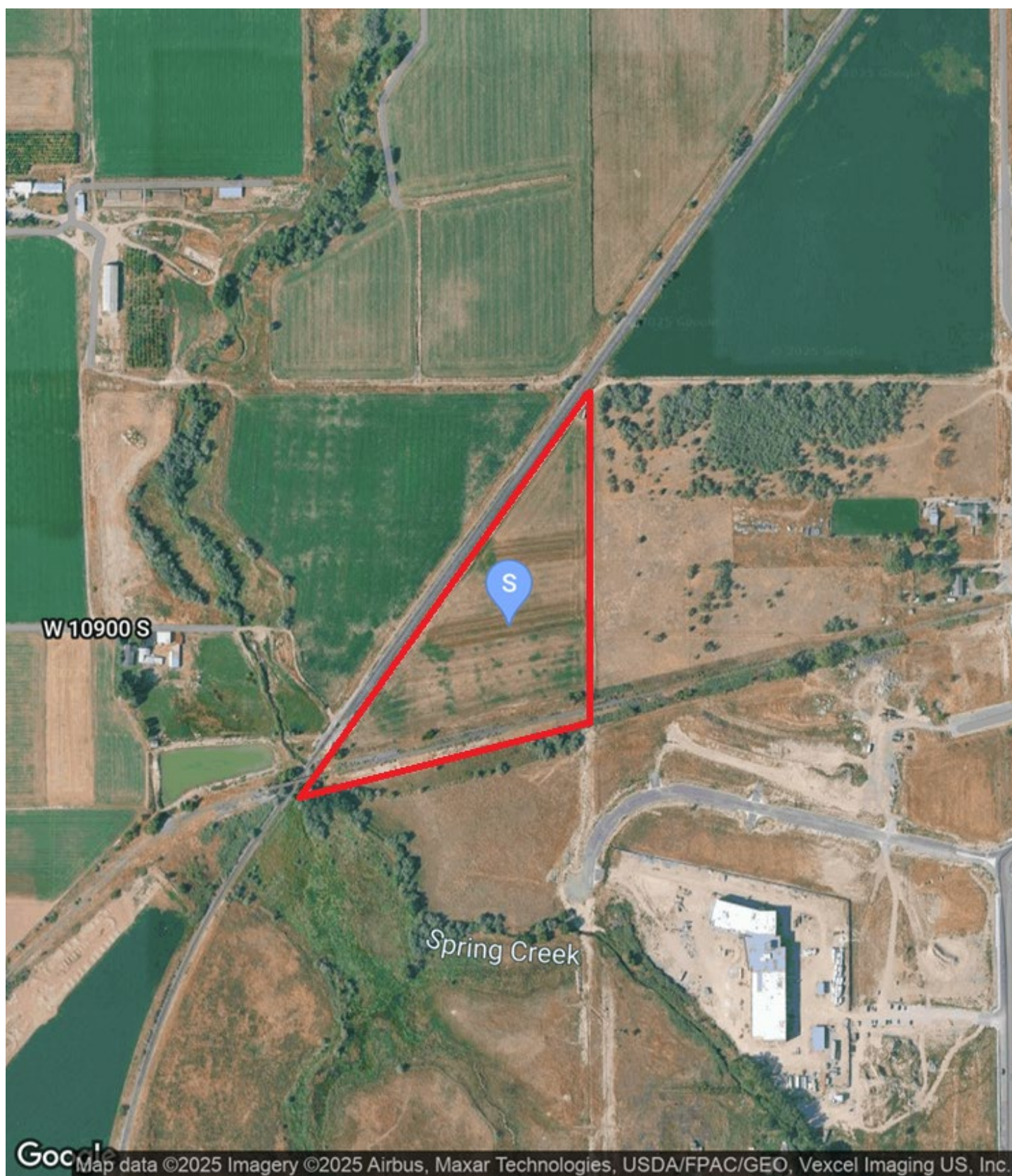
Land Area	Acres	Square Feet
Usable	10.72	466,954
Unusable	1.81	78,844
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	12.53	545,798
Topography	Level at street grade	
Shape	Triangular	
Access	Fair	
Exposure	Fair	
Current Zoning	Annexation Holding Zone (A-5-H)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	High Risk	

Valuation Summary

Valuation Indices	As-Is Fair Market Value
Interest Appraised	Fee Simple
Date of Value	June 19, 2025

Final Value Conclusion

Final Value	\$960,000
\$/SF	\$1.76



Subject Property Photographs



View South From Subject's North Corner



View Northeast From Subject's Southwest Corner



View North From Subject's Southeast Corner



View Southwest From Subject's Southeast Corner



Easement Access

Property Identification

The subject's larger parcel is a 12.53-acre site of vacant land at 744 South 1700 West in Payson, Utah. The assessor's parcel number is: 51-622-0002. According to the map provided by the Utah Division of Water Rights, there is no water right located on the property. The MLS listing of the subject property reports 17.56-acre feet of irrigation water, which we assume are water shares appurtenant to the property. The opinion of value in this report includes the value of these water shares.

The property is used for agriculture, with no existing structures or utility improvements in place. While the site does have legal access via an easement, it does not currently have direct access from an improved public street. As such, the existing access is adequate to support agricultural operations, but it does not meet the access standards required for residential construction or more intensive development under local building and fire code requirements. It is currently zoned A-5-H (Annexation Holding Zone) which allows for agricultural and limited residential uses, and is intended to preserve land for potential future development in alignment with the city's general plan.

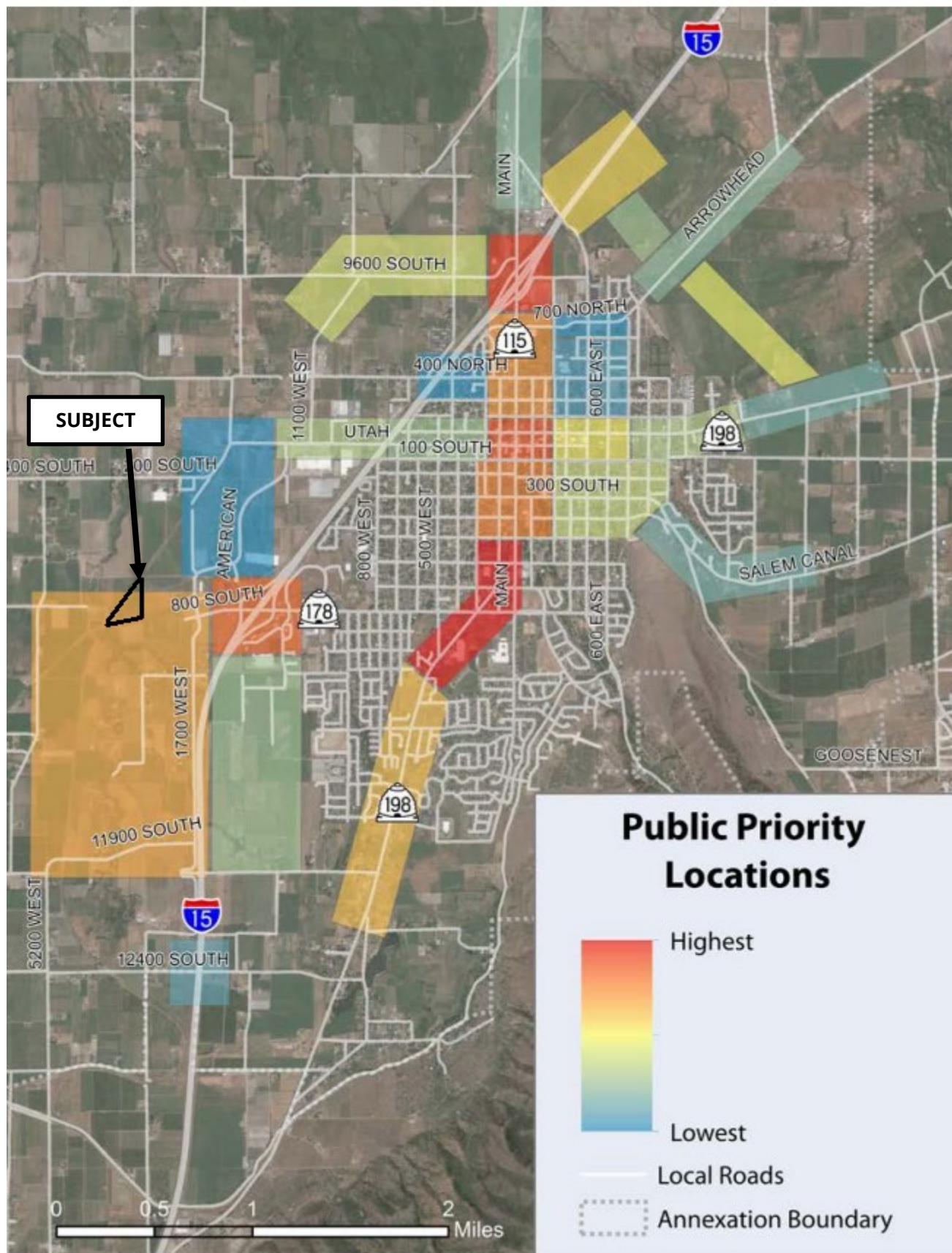
The legal description of the subject property is as follows:
LOT 2, RED BRIDGE MEADOW SUB AREA 12.530 AC.

Project Description

A future road corridor is planned to cross the subject property as part of Payson City's long-range transportation infrastructure. According to the Payson Transportation Master Plan, the project will extend 800 South eastward from 1700 West, continuing across the subject property and ultimately connecting to 2400 West. The planned roadway is designated as a minor arterial. While the city engineer indicates that no specific construction timeline has been established, the project is included in Phase 2 of the master plan, which outlines improvements anticipated to occur between 2031 and 2050.

The following exhibits are taken from the Payson Transportation Master Plan. The first identifies the road project affecting the subject property as Project #19, illustrating its anticipated alignment across the site. The second exhibit highlights that the subject lies within an area designated as having moderate to high public priority for future infrastructure investment and development focus.

Figure 3-7: Public Identified Areas of Priority



Identification of Appraisal Assignment

Client Identification

The client of this specific assignment is Payson City.

Purpose

The purpose of this appraisal is to develop an opinion of the As-Is Fair Market Value of the subject property's fee simple interest.

Intended Use

The intended use of this appraisal is to assist the client in negotiating the purchase of the subject property for future road right-of-way purposes.

Intended Users

Intended users of this report include Payson City and Mountainlands Association of Governments (MAG). Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

Assignment Dates

Date of Report	June 26, 2025
Date of Inspection	June 19, 2025
Valuation Date - As-Is	June 19, 2025

Personal Intangible Property

No personal property or intangible items are included in this valuation.

Property and Sales History

Current Owner

The subject title is currently recorded in the name of Finch Family Properties LLC, as recorded in the Utah County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

The subject property is listed for sale at \$1,000,000. As of the effective date it had been listed for 401 days. Based on a comparison with other current listings, the subject appears to be competitively priced. Calls to the agent regarding the listing were not returned.

Definitions

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

Definitions of Value

Given the scope and intended use of this assignment, the following definition of value is applicable:

Fair Market Value

The definition of fair market value, as used in this report, is "...the amount at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."¹

Property Rights Appraised

The property rights appraised constitute the fee simple interest.

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.²

Value Scenarios

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.³

¹ Utah Code, Title 59-2-102(12)

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

Introduction

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site.
- The appraisers completed a land market analysis that included market and sub-market overviews. The Utah County market and Payson sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site.
- The appraisers confirmed and analyzed financial features of the subject property including potential entitlement issues, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison Approach to value, which was adjusted and reconciled as appropriate. The appraisal develops an opinion of the Fair Market Value of the subject property's fee simple interest.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- No one provided significant real property appraisal assistance to appraisers signing this certification.

Sources of Information

The following sources were contacted to obtain relevant information:

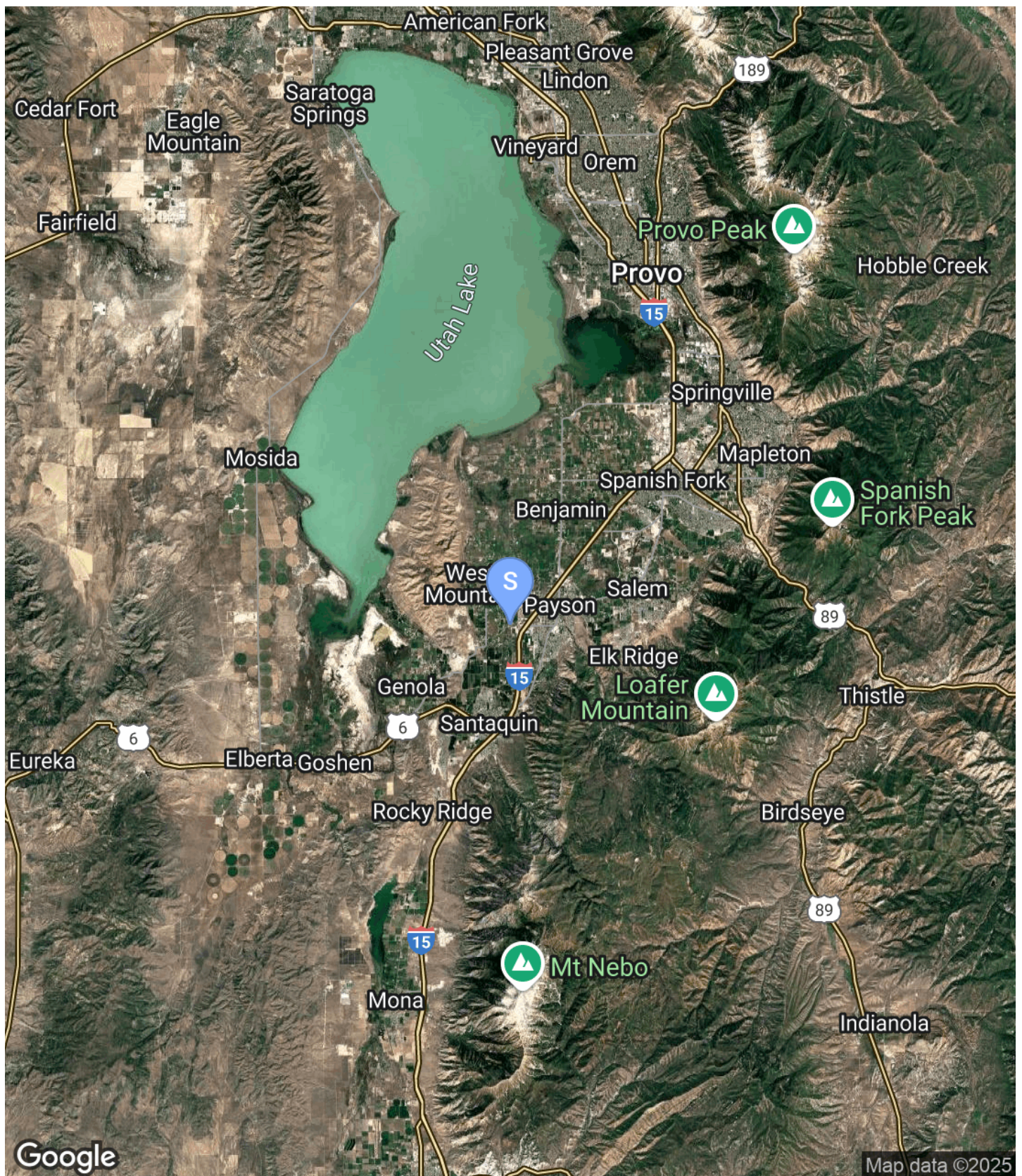
Sources of Information

Item	Source
Tax Information	Utah County Tax Assessor
Zoning Information	City of Payson Zoning Code
Site Size Information	Utah County Tax Assessor
Building Size Information	Utah County Tax Assessor
New Construction	City of Payson / Utah County County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from RealQuest
Other Property Data	Utah County County Property Records

Subject Property Inspection

Subject Property Inspection

Appraiser	Inspected	Extent	Date of Inspection
Jake Jorgensen	Yes	Site Only	June 19, 2025
Kelly Tate, MAI	No	-	-



Introduction

The Provo-Orem Metropolitan Statistical Area is comprised of Utah and Juab Counties. Seven counties as well as the State of Nevada border the Provo-Orem MSA. The MSA is located in north central Utah and is anchored by the cities of Provo and Orem.

The geography of the Provo-Orem MSA includes arid desert, lakes, and high-mountain peaks. Elevations within the area range from around 4,300 feet at the valley floor to nearly 12,000 feet above sea level in the Wasatch Mountains. Orem and Provo are located in the northern portion of Utah County at the base of the Wasatch Mountains on the east.

The Utah Lake, which is located to the west of the cities of Provo and Orem in Utah County, is the largest fresh-water lake in the state. The lake drains via the Jordan River at its north end into the Great Salt Lake. The Jordan River is a 60-mile-long river that receives the water of many streams flowing down from the Wasatch Range.

The majority of the population of Utah County lies in cities found along Interstate 15 which runs north-to-south just west of Orem and Provo and other smaller communities. This freeway provides access to Arizona to the south and Idaho to the north. The Salt Lake City International Airport is the nearest large airport; however, the Provo Municipal Airport, located in Provo, is used extensively for private flight training and is home to the Utah Valley University flight school. The city of Nephi, in Juab County, also has a municipal airport.



Provo and Orem's mass transit service is operated by the Utah Transit Authority (UTA) and includes a bus system, which connects commuters to local services as well as the greater Salt Lake City region. UTA's commuter rail service, FrontRunner, was extended to Provo from Salt Lake City in 2012. Amtrak, a national passenger rail system, provides service to Provo station, operating its California Zephyr daily in both directions between Chicago, Illinois and Emeryville, California. Provo is also serviced by Greyhound Bus Lines.

Provo is the economic and demographic center of the Provo-Orem MSA and the third-largest city in Utah according to the 2008 U.S. Census Bureau. Provo is the county seat of Utah County. It was first settled in 1849 by 33 Mormon families from Salt Lake City.

The residents of Provo are predominantly (88.0%) members of The Church of Jesus Christ of Latter-day Saints. The large population of students that attend Brigham Young University and Utah Valley University make Provo and Orem "college towns". Provo is also home to The Church of Jesus Christ of Latter-days Saints' largest Missionary Training Center. Each week some 475 missionaries enter for 2 to 12 weeks of training before they depart for the mission field. Orem, the sixth-largest city in the state, is adjacent to the north of Provo City and is located approximately 45 miles south of Salt Lake City. Orem was incorporated in 1919 and is home to Utah Valley University.

Today the area's major industries are government, trade, transportation, utilities, and professional and business services. Provo is home to international companies including Nature's Sunshine Products, Novell, and Nu Skin Enterprises.

Demographic Analysis

The following is a demographic study of the region sourced by *Esri ArcGIS®*, an online resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty

necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Esri ArcGIS®, a Geographic Information System (GIS) Company, the Provo-Orem-Lehi metropolitan area had a 2024 population of 749,524 and experienced an annual growth rate of 2.7%, which was higher than the Utah annual growth rate of 1.6%. The metropolitan area accounted for 21.4% of the total Utah population (3,506,694). Within the metropolitan area the population density was 138.9 people per square mile compared to the lower Utah population density of 42.5 people per square mile and the lower United States population density of 95.8 people per square mile.

POPULATION			
YEAR	US	UT	CBSA
2020 Population	331,839,624	3,284,843	674,930
2024 Population	338,440,954	3,506,694	749,524
2029 Population	344,873,411	3,719,346	823,415
2020-2024 CAGR	0.5%	1.6%	2.7%
2024-2029 CAGR	0.4%	1.2%	1.9%

Source: Esri ArcGIS®

POPULATION DENSITY			
YEAR	US	UT	CBSA
2024 Per Square Mile	95.8	42.5	138.9
2029 Per Square Mile	97.6	45.0	152.6

Source: Esri ArcGIS®

The 2024 median age for the metropolitan area was 27.4, which was 43.9% younger than the United States median age of 39.3 for 2024. The median age in the metropolitan area is anticipated to grow by 0.86% annually, increasing the median age to 28.6 by 2029.

Education

The Provo-Orem MSA has two universities, Brigham Young University and Utah Valley University. Brigham Young University (BYU) is a private research institution located in Provo, owned and operated by the Church of Jesus Christ of Latter-day Saints. BYU has an endowment of \$1.47 million and an annual enrollment of 33,363 students. The university's primary focus is on undergraduate education, but also offers masters and doctoral degree programs. Utah Valley University (UVU) is a publicly funded university located in Orem. With an annual enrollment of over 34,000 students, UVU is the largest public university in the state. The university currently offers bachelor and associate degrees and more than 20 certificate programs and high-demand degrees in education and nursing.

Household Trends

The 2024 Households number of households in the metropolitan area was 213,725. The number of households in the metropolitan area is projected to grow by 2.4% annually, increasing the number of households to 240,483 by 2029 Households. The 2024 average household size for the metropolitan area was 3.43, which was 35.57% larger than the United States average household size of 2.53 for 2024. The average household size in the metropolitan area is anticipated to retract by 0.41% annually, reducing the average household size to 3.36 by 2029.

NUMBER OF HOUSEHOLDS			
YEAR	US	UT	CBSA
2024 Households	130,716,571	1,147,946	213,725
2029 Households	134,930,577	1,240,486	240,483
2024-2029 CAGR	0.6%	1.6%	2.4%

Source: Esri ArcGIS®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	UT	CBSA
2024	2.53	3.01	3.43
2029	2.50	2.96	3.36
2024-2029 CAGR	(0.24%)	(0.33%)	(0.41%)

Source: Esri ArcGIS®

The Provo-Orem-Lehi metropolitan area had 28.58% renter occupied units, compared to the higher 29.18% in Utah and the higher 35.64% in the United States.

HOUSING UNITS			
	US	UT	CBSA
Owner Occupied	64.36%	70.82%	71.42%
Renter Occupied	35.64%	29.18%	28.58%

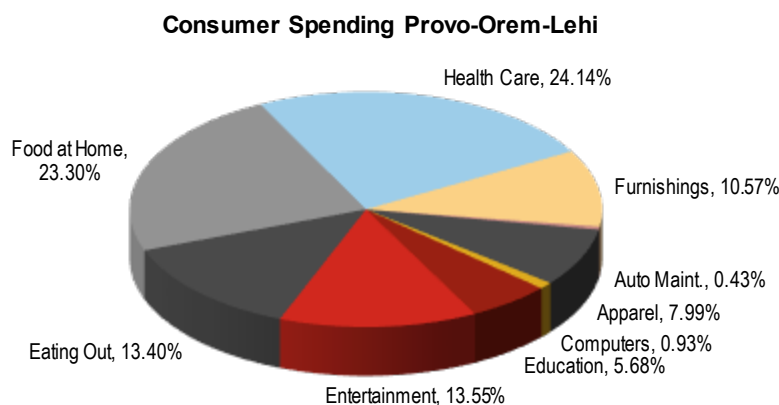
Source: Esri ArcGIS®

The 2024 median household income for the metropolitan area was \$102,425, which was 29.54% higher than the United States median household income of \$79,068. The median household income for the metropolitan area is projected to grow by 2.66% annually, increasing the median household income to \$116,814 by 2029.

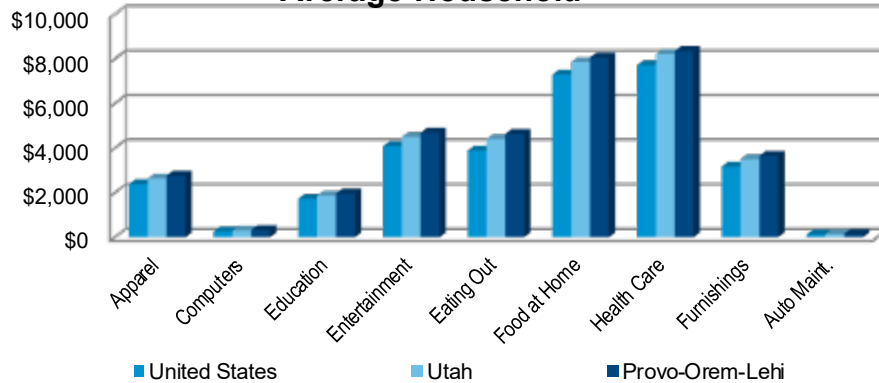
As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the MSA's cost of living is 103.4 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	UT	CBSA
2024	\$79,068	\$95,801	\$102,425
2029	\$91,442	\$110,702	\$116,814
2024-2029 CAGR	2.95%	2.93%	2.66%

Source: Esri ArcGIS®



Consumer Spending Comparison Average Household



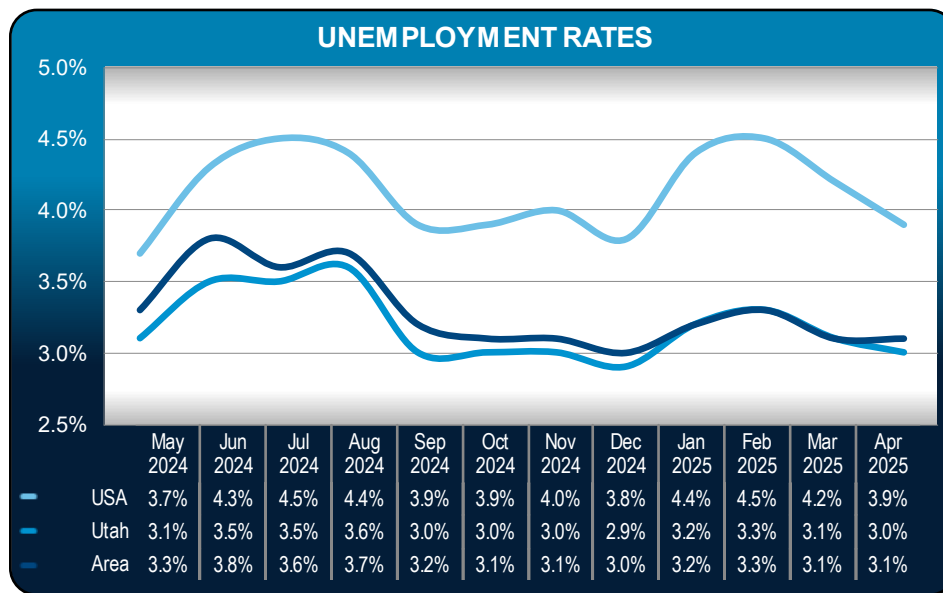
Employment

Total employment has increased annually over the past decade in the state of Utah by 2.6% and increased annually by 3.5% in the area. From 2023 to 2024 unemployment increased in Utah by 0.5% and increased by 0.6% in the area. In the state of Utah unemployment has decreased over the previous month by 0.1% and decreased by 0.0% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2015 - 2024

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Utah		Provo-Orem-Lehi, UT Metropolitan Statistical Area		United States*	Provo-Orem-Lehi, UT Metropolitan Statistical Area	
	Total	% Δ Yr Ago	Total	% Δ Yr Ago		Utah	
2015	1,409,952	2.8%	262,472	4.8%	5.3%	3.5%	3.2%
2016	1,458,487	3.4%	277,248	5.6%	4.9%	3.3%	3.0%
2017	1,506,273	3.3%	290,197	4.7%	4.4%	3.1%	2.8%
2018	1,537,987	2.1%	299,962	3.4%	3.9%	2.9%	2.7%
2019	1,578,069	2.6%	309,121	3.1%	3.7%	2.5%	2.4%
2020	1,566,150	(0.8%)	311,357	0.7%	8.1%	4.8%	3.9%
2021	1,639,276	4.7%	331,249	6.4%	5.3%	2.8%	2.4%
2022	1,701,807	3.8%	345,764	4.4%	3.6%	2.4%	2.2%
2023	1,749,249	2.8%	353,666	2.3%	3.6%	2.7%	2.7%
2024	1,774,702	1.5%	358,460	1.4%	4.0%	3.2%	3.3%
CAGR	2.6%	-	3.5%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Brigham Young University	15,000-19,999	University
Alpine School District	7,000-9,999	Education
Utah Valley University	5,000-6,999	University
Utah Valley Regional Medical Center	5,000-6,999	Healthcare
Vivint	3,000-3,999	Technology
Nebo School District	3,000-3,999	Education
Wal-Mart	2,000-2,999	Retail
State of Utah	2,000-2,999	State Government
RBD Acquisition	2,000-2,999	Services to Buildings
Young Living Essential Oils	2,000-2,999	Direct Selling
Vivint Solar	1,000-1,999	Solar Energy
Provo School District	1,000-1,999	Education
Nexeo Staffing	1,000-1,999	Employment Services
Doterra International	1,000-1,999	Direct Selling
IM Flash Technologies	1,000-1,999	Technology
Entrata	1,000-1,999	Data Processing & Hosting
Adobe Systems	1,000-1,999	Technology
Nu Skin	1,000-1,999	Health Products
Smith's Food & Drug	1,000-1,999	Grocery Store
Sundance Resort	1,000-1,999	Hospitality

Source: Utah Department of Workforce Services

The preceding chart depicts the top employers in Utah County. Principal employers in the region are spread throughout different sectors including education healthcare/social assistance, and professional/scientific/ technical services. Brigham Young University is the top employer. A private research university located in Provo, owned and operated by The Church of Jesus Christ of Latter-day Saints, BYU is the country's largest religious university and the third-largest private university. The third largest employer is Utah Valley University. With a total of 5,000-6,999 employees, Utah Valley University is the largest institution of higher education in the state. The fourth largest employer is Utah Valley Regional Medical Center. The 395-bed not-for-profit hospital is part of the Intermountain Healthcare system and serves Utah County, central and southern Utah.

Airport Port Statistics

It is noted that the decrease in the number of enplaned passengers during 2020 and the resulting increase in 2021 is a result of COVID-19. The number of enplaned passengers reached a record high in 2023, nearly doubling from the prior year.

PROVO MUNICIPAL AIRPORT (PVU)		
YEAR	ENPLANED PASSENGERS	% CHG
2013	30,090	-
2014	62,011	106.1%
2015	65,303	5.3%
2016	78,451	20.1%
2017	91,581	16.7%
2018	80,106	(12.5%)
2019	110,279	37.7%
2020	77,217	(30.0%)
2021	118,740	53.8%
2022	211,741	78.3%
2023	415,197	96.1%

Source: U.S. Department of Transportation

Taxes

Property taxes are levied at the state and local level, based on assessed valuations established by elected county assessors and, in the case of certain properties, by the State Tax Commission's Property Tax Division. The amount of taxes paid is based on the tax rate applied against the taxable value of the property.

Tax rates are set by local entities (counties and towns, school districts, and special taxing districts) and approved by the Property Tax Division. Effective tax rates range from 0.86% to 2.2% in 2014.

State Income Tax is based on 5% of every dollar of income earned. Utah has sales and use tax for retail sales of tangible personal property and select services such as admissions to places of amusement, intrastate transportation service, hotel and motel accommodations, and certain other goods and services. Rates for sales and use tax within each municipality vary between 5.95% and 8.35% of purchase price. Additional local sales taxes for specific goods also exist.

The restaurant tax is an additional 1%. The motor vehicle rental tax of 2.5% is applied statewide with an additional tax of 3% in Duchesne, Grand, and Uintah counties and 7% in Davis, Morgan, Salt Lake, Sevier, Washington, and Weber counties.

Local taxes, in addition to sales taxes from room rates, vary from 3 to 4.5%. Municipal energy sales and use tax rates, when charged, varies from 1% to 6%. A general sales tax of up to 1.5% is applied in 12 resort communities.

The state of Utah taxes all corporations' net income, which has been determined by law to be allocable to the state. Utah has the three factors-sales, payroll and property-to equally apportion federal taxable income. The corporate franchise tax rate is 5% of net taxable income. Minimum tax for state banks and corporations is \$100.

Employers must pay on the first \$21,400 of wages paid to each employee during the calendar year. Unemployment tax rates vary from 0.1% to 8.1% of taxable payroll, depending on unemployment experience and type of industry.

Utah's free port law is among the most liberal inventory tax laws in the country. Goods used by retailers, wholesalers, or manufacturers for processing and sale in Utah are exempt from ad valorem taxes.

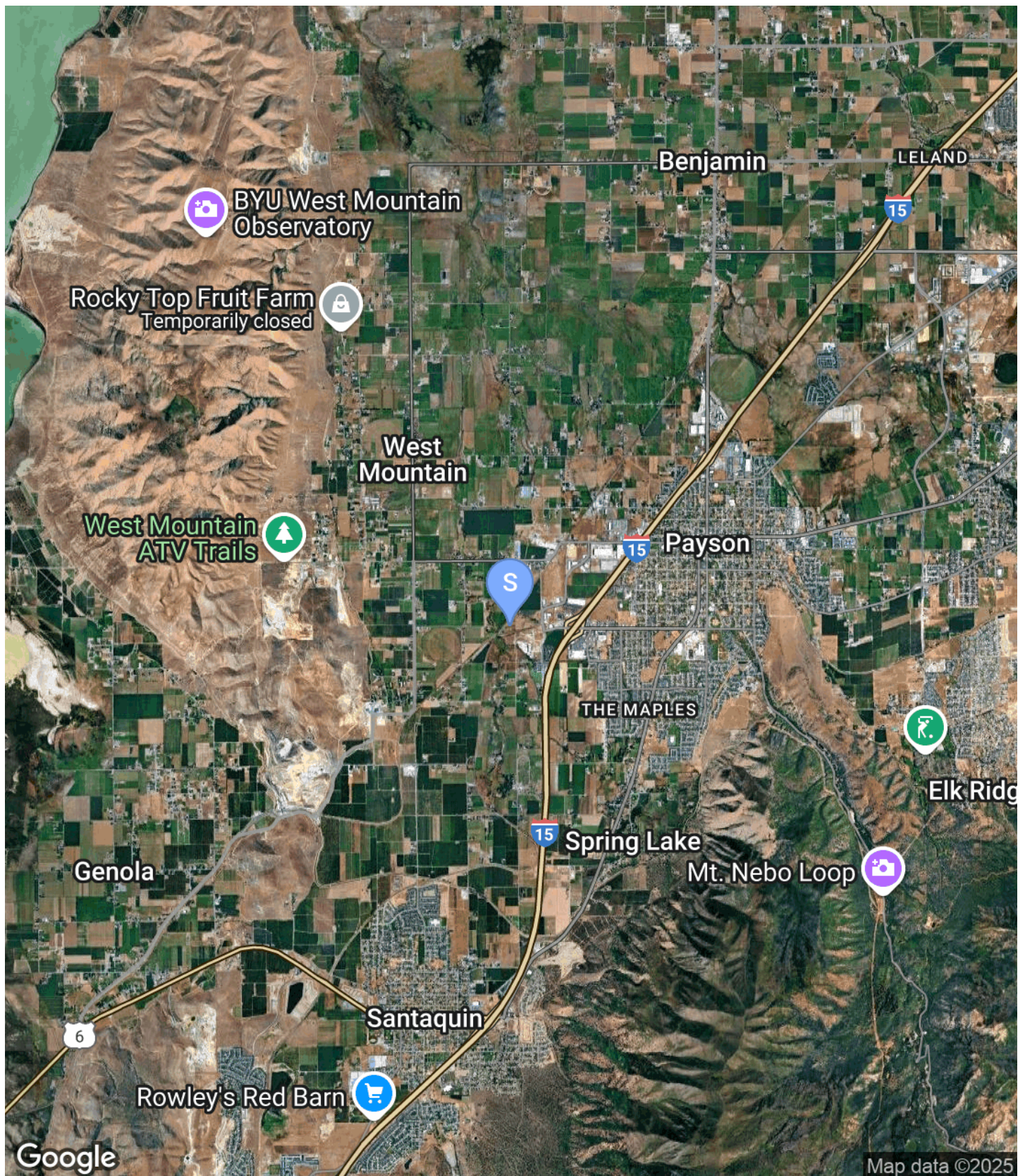
Salt Lake, a customs port city, offers a foreign trade zone. The service allows duties to be deferred or reduced.

Motor vehicles have a uniform fee in lieu of property tax based on the model year of the vehicle. The fee ranges from \$10 to \$150, depending on the age of the vehicle.

Summary

The Provo-Orem Metropolitan Statistical Area benefits from a strong economy supported by education, healthcare, tourism, and recreational sectors. The county's natural attractions are a competitive advantage for the region's economy and will play a vital role in the future economic health and prosperity of the region. It is anticipated that the Provo-Orem MSA will continue to be a part of a growing regional economy, thus supporting positive trends for multi-

family developments in the area. Economic growth across the Wasatch Front is projected to outpace the national average over the forecast horizon due to these factors.



Introduction

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.



Local Area Profile

The subject property is located in Payson, Utah, within Utah County. According to the 2020 census, the population was 21,101. The city is in the central southern portion of the county, approximately 60 miles southwest of Salt Lake City and 15 miles southwest of Provo. Payson is bordered by rural townships to the north and west, Salem to the east, and townships and several mountain peaks to the south. The area is traversed by Interstate 15. Air transportation is provided by Provo Municipal Airport, about 15 miles north.

Demographic Profile

Below is a demographic study of the area, sourced by *Esri ArcGIS®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2010 Population	863	19,376	33,110	2024	\$94,498	\$106,781	\$114,639
2020 Population	1,247	22,209	40,492	2029	\$114,181	\$126,290	\$134,930
2024 Population	1,311	23,006	44,796	Change 2024-2029	20.83%	18.27%	17.70%
2029 Population	1,333	23,387	47,876	MEDIAN HOUSEHOLD INCOME			
Change 2010-2020	44.50%	14.62%	22.30%	2024	\$77,213	\$88,706	\$96,370
Change 2020-2024	5.13%	3.59%	10.63%	2029	\$91,413	\$105,571	\$110,206
Change 2024-2029	1.68%	1.66%	6.88%	Change 2024-2029	18.39%	19.01%	14.36%
NUMBER OF HOUSEHOLDS				PER CAPITA INCOME			
2010 Households	249	5,370	8,926	2024	\$29,408	\$31,221	\$32,134
2020 Households	392	6,450	11,203	2029	\$36,765	\$38,079	\$38,834
2024 Households	426	6,744	12,538	Change 2024-2029	25.02%	21.97%	20.85%
2029 Households	448	7,081	13,763	HOUSEHOLDS BY INCOME (2022)			
Change 2010-2020	57.43%	20.11%	25.51%	Less than \$15,000	1.92%	4.26%	3.36%
Change 2020-2024	8.67%	4.56%	11.92%	\$15,000 - \$24,999	1.37%	2.89%	2.63%
Change 2024-2029	5.16%	5.00%	9.77%	\$25,000 - \$34,999	6.03%	4.59%	4.17%
HOUSING UNITS				\$35,000 - \$49,999	20.55%	12.97%	10.46%
Owner Occupied	265	5,316	10,413	\$50,000 - \$74,999	22.74%	20.69%	18.86%
Renter Occupied	161	1,428	2,125	\$75,000 - \$99,999	17.53%	14.01%	17.01%
HOUSING UNITS BY YEAR BUILT				\$100,000 - \$149,999	22.47%	23.81%	25.31%
Built 2020 or Later	0	47	185	\$150,000 - \$199,999	4.11%	10.88%	11.48%
Built 2010 to 2019	103	796	1,995	\$200,000 or More	3.29%	5.90%	6.72%
Built 2000 to 2009	71	1,684	2,900	HOUSING BY UNITS IN STRUCTURE			
Built 1990 to 1999	64	1,056	2,239	1, Detached	219	5,186	9,787
Built 1980 to 1989	41	501	863	1, Attached	4	437	685
Built 1970 to 1979	43	1,095	1,630	2	2	122	210
Built 1960 to 1969	9	212	399	3 or 4	3	188	233
Built 1950 to 1959	4	279	394	5 to 9	1	112	192
Built 1940 to 1949	3	289	352	10 to 19	93	297	364
Built 1939 or Earlier	28	752	1,090	20 to 49	13	109	159
HOME VALUES				50 or More	0	0	0
Average	\$451,989	\$531,536	\$572,131	Mobile Home	29	255	411
Median	\$390,698	\$481,886	\$527,989	Boat, RV, Van, etc.	0	6	6

Source: Esri ArcGIS®

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES

HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
I-15	north-south	Interstate Highway	This is within a half mile of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
American Way	north-south	Secondary Arterial	This is within a quarter mile of the subject property.
800 South	east-west	Primary Arterial	This is within a quarter mile of the subject property.
2400 West	north-south	County Road	This is within a half mile of the subject property.

Payson is currently served by three weekday UTA bus routes—805, 821, and 822—which provide regional connectivity between Payson and Provo. However, these routes do not run in the subject's immediate area; they operate east of I-15, primarily along Payson Main Street and surrounding areas. FrontRunner commuter rail station is located approximately 11 miles north in Provo, offering service between Provo and Ogden. However, a new FrontRunner station is planned for Payson as part of UTA's proposed southern extension of the FrontRunner line.

Economic Factors

As a commuter city, many Payson residents work in the Provo/Orem area and much of the local economy is dependent on those two cities. Provo is home to Brigham Young University, a private higher education institution operated by The Church of Jesus Christ of Latter-day Saints. Provo is a significant area for technology development in Utah, with several billion-dollar startups. The main industries in Provo are educational services, retail trade, healthcare/social assistance, professional/scientific/technical services and accommodation/food services. The main employers are Brigham Young University, Utah Valley Hospital and Vivint.

Community Services

Community services and facilities are readily available throughout the Payson area. These include Payson Fire Station #1 and Payson Police Department, both located near the city center. Mountain View Hospital, a full-service acute care facility, provides medical services to the community and is situated about three miles northeast of the subject property. Educational facilities serving all age groups are available through the Nebo School District, including Payson High School, Payson Junior High, and several nearby elementary schools.

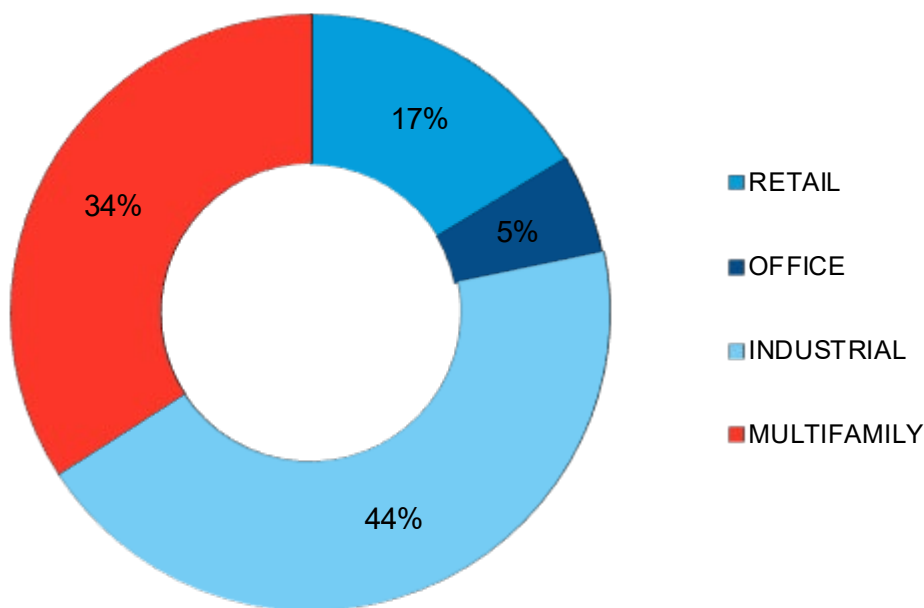
Immediate Area Profile

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

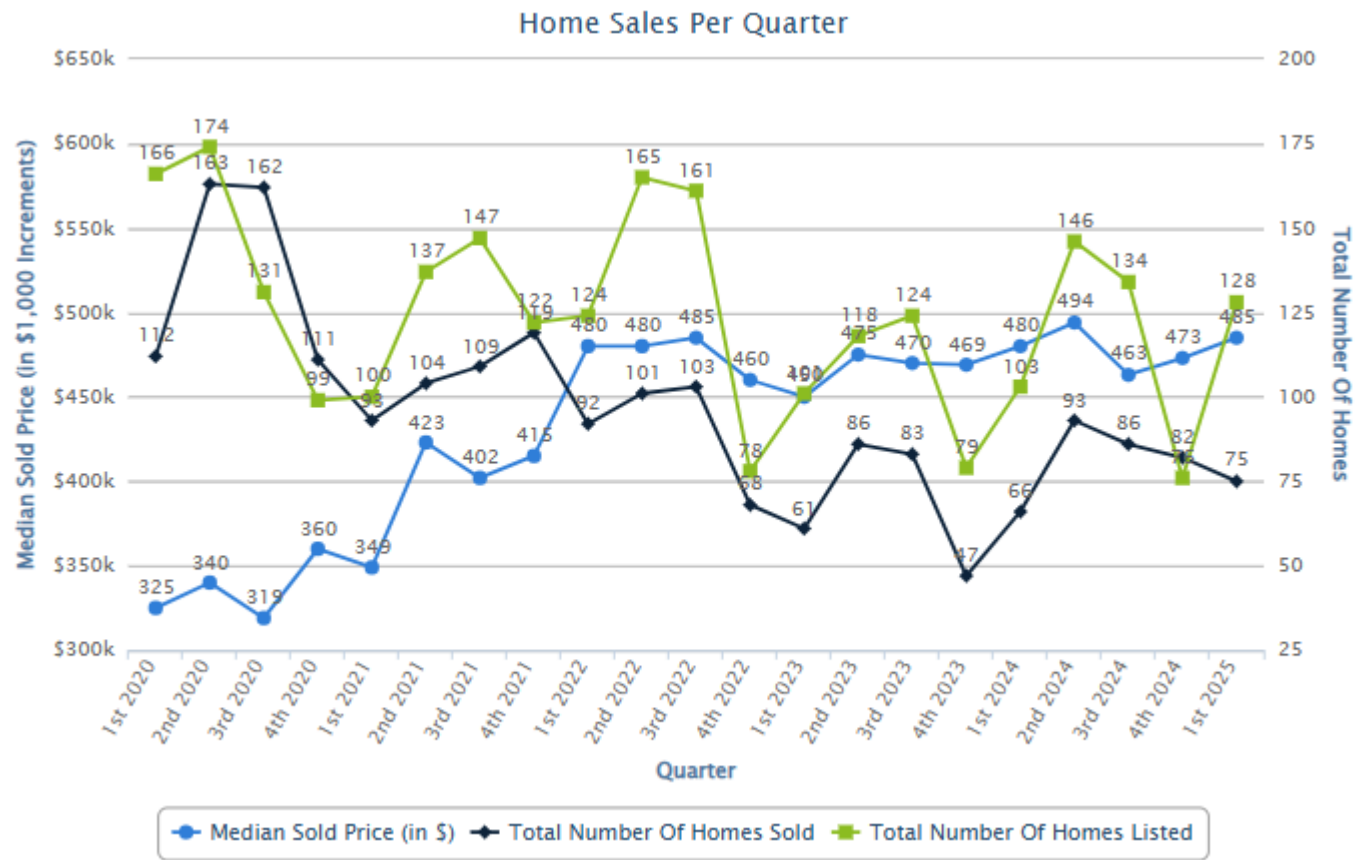
Significant development in the immediate area includes a mix of retail, office, industrial, and auto-related uses, primarily located along major corridors such as 800 South, 100 West, and Main Street (SR-198). These commercial areas are interspersed with multi-family residential complexes and newer single-family subdivisions situated farther from the main arterials. The area reflects a typical development pattern for a growing regional hub, with commercial activity concentrated along transportation routes and residential neighborhoods extending outward. The composition of surrounding land uses is illustrated in the following graph.

COMMERCIAL AREA COMPOSITION



Residential Development

According to the Utah MLS, median home sale prices in the subject’s zip code increased relatively consistently from Q1 2019 to Q3 2022. It decreased slightly in Q4 2022 and Q1 2023 and has remained relatively stable since that time. The median price in Q1 2025 was \$485,000 which matches the high of Q3 2022. Q4 2023 saw the fewest homes sold (47) in the five-year period, after reaching a high of 163 in Q2 2020. Home sales picked back up through 2024 but have been declining somewhat since. The table below depicts median home sale figures within the subject’s zip code over the last five years.



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

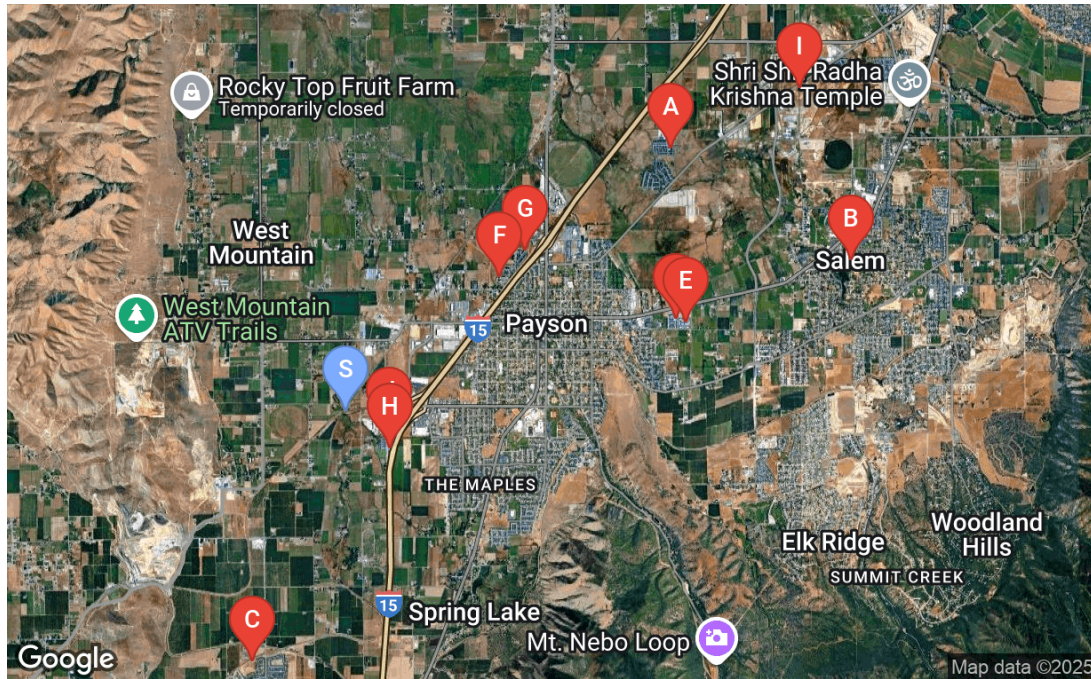
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	2	600,000	2021
B	17	1,600,532	2020
C	19	738,075	1983
TOTAL	38	2,938,607	2002

Source: CoStar

The three largest multi-family properties are at 1782 North 1330 East, 350 West Arrowhead Trail Road and Ginger Gold Road with an NRA of 400,000 SF, 300,000 SF and 300,000 SF that were built in 2021, 2022 and 2019, respectively. The closest large multi-family property in proximity to the subject is at 1045 South 1700 West with an NRA of 102,550 SF that was built in 2010. All of the properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Arrow head Place	4.3 Miles	A	B	400,000	2	2021
Salem Park	5.4 Miles	B	A	300,000	2	2022
The Orchards	2.7 Miles	C	A	300,000	2	2019
South Haven Farms	3.5 Miles	D	B	215,000	2	2022
South Haven Farms	3.6 Miles	E	B	205,275	3	2022
The Meadow s	2.1 Miles	F	C	200,000	0	2022
Eversage	2.5 Miles	G	B	176,400	3	2018
Payson Point	0.6 Miles	H	C	135,000	4	2023
Salem Rooftops	5.7 Miles	I	B	103,000	3	2023
Ridgestone Condominiums	0.5 Miles	J	B	102,550	3	2010

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

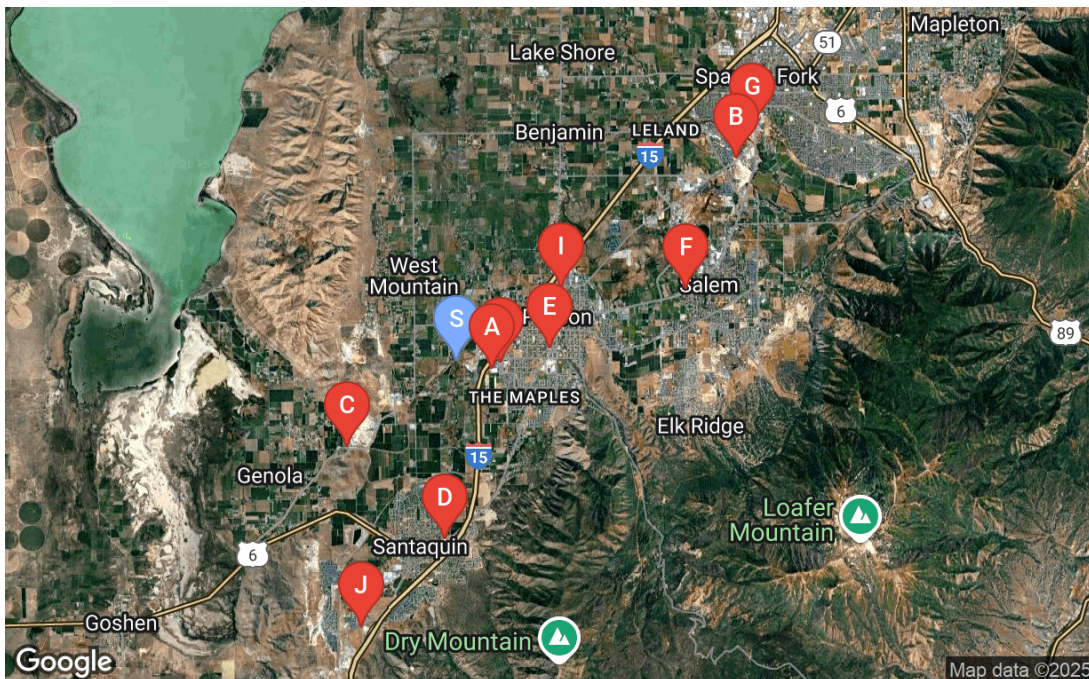
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	259	1,414,852	1968	99.1	\$21.75
TOTAL	259	1,414,852	1968	99.1	\$21.75

Source: CoStar

The three largest retail properties are at 1052 South Turf Farm Road, 1486 Del Monte Road and 533-609 North State Road with an NRA of 91,931 SF, 84,000 SF and 70,077 SF that were built in 2004, 2021 and 2012, respectively. The closest large retail property in proximity to the subject is at 1052 South Turf Farm Road. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Payson Retail Center	0.7 Miles	A	Community Center	91,931	100.0	2004
Retail Building	7.1 Miles	B	General Retail	84,000	100.0	2021
South Town Plaza	2.9 Miles	C	Neighborhood Center	70,077	100.0	2012
Macey's	3.7 Miles	D	General Retail	57,482	100.0	2020
Retail Building	1.9 Miles	E	General Retail	48,024	100.0	2002
Stokes Fresh Food Market	4.9 Miles	F	General Retail	42,000	100.0	2008
Retail Building	7.7 Miles	G	General Retail	38,560	100.0	2017
Payson Retail Center	0.9 Miles	H	Community Center	37,000	100.0	-
Payson Marketplace	2.6 Miles	I	General Retail	36,629	100.0	2002
Retail Building	5.8 Miles	J	General Retail	34,000	100.0	2024

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

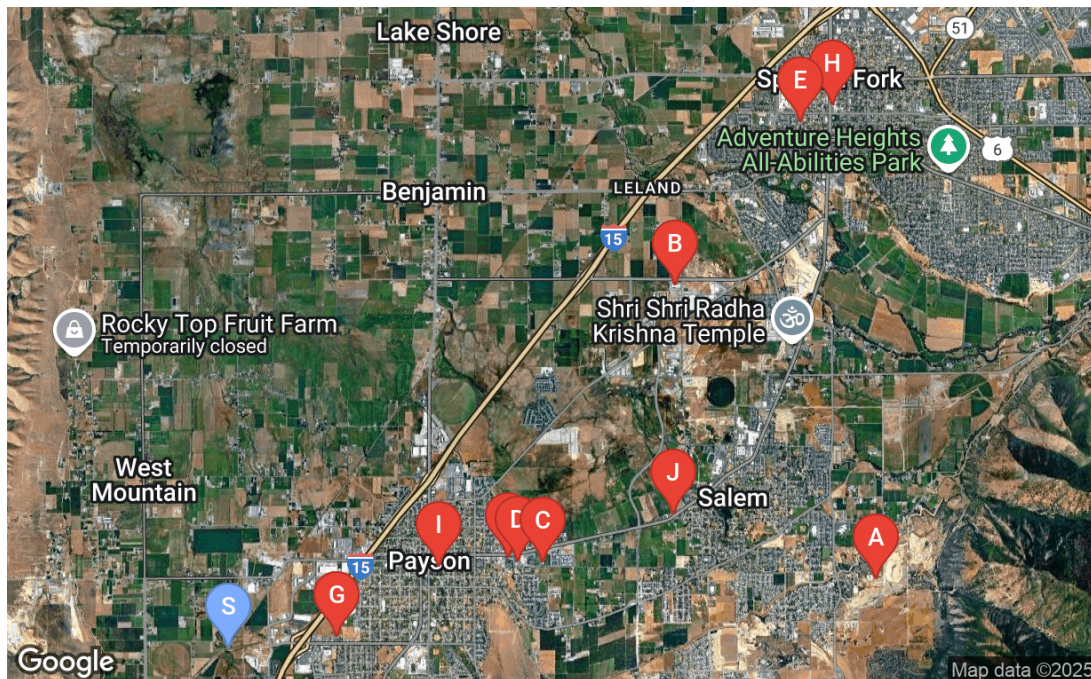
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	0	0	-	-	-
B	35	283,716	1993	99.3	\$32.00
C	46	174,203	1960	100.0	-
TOTAL	81	457,919	1974	99.7	\$32.00

Source: CoStar

The three largest office properties are at 375 East 10480, 555 West State Road 164 and 55 North Professional Way with an NRA of 37,688 SF, 37,440 SF and 35,853 SF that were built in 1996, 2015 and 2009, respectively. The closest large office property in proximity to the subject is at 755 South 1040 West with an NRA of 12,050 SF that was built in 2017. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT
Office Building	6.7 Miles	A	C	37,688	100.0	1996
AHC of Salem	5.9 Miles	B	B	37,440	100.0	2015
Parkway Health Center	3.3 Miles	C	B	35,853	100.0	2009
Mountain View Medical Plaza	3.1 Miles	D	B	34,097	74.6	2008
Canyon View Family Medicine	7.9 Miles	E	B	18,205	100.0	2011
Centennial Business Park	3.0 Miles	F	B	14,000	100.0	1996
Payson Professional Offices	1.1 Miles	G	B	12,050	100.0	2017
Office Building	8.3 Miles	H	C	11,000	100.0	1996
Office Building	2.3 Miles	I	B	10,000	100.0	1964
Office Building	4.8 Miles	J	B	9,740	100.0	2004

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

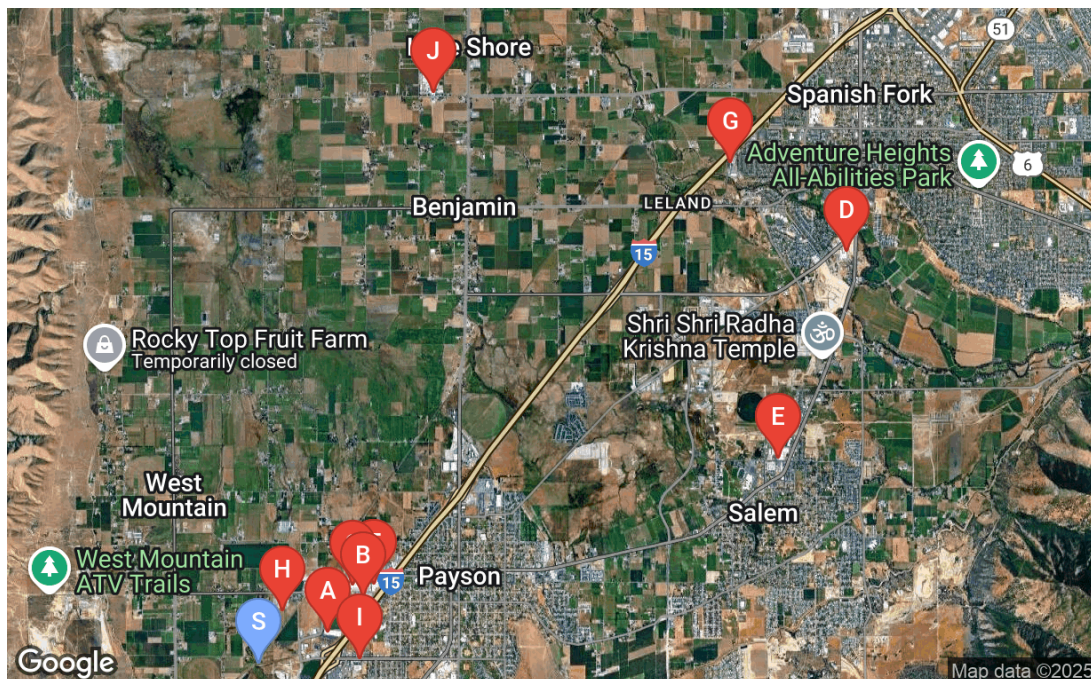
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	84	3,646,740	1992	96.2	\$13.43
Flex	9	150,616	1994	93.8	-
TOTAL	93	3,797,356	1992	96.0	\$13.43

Source: CoStar

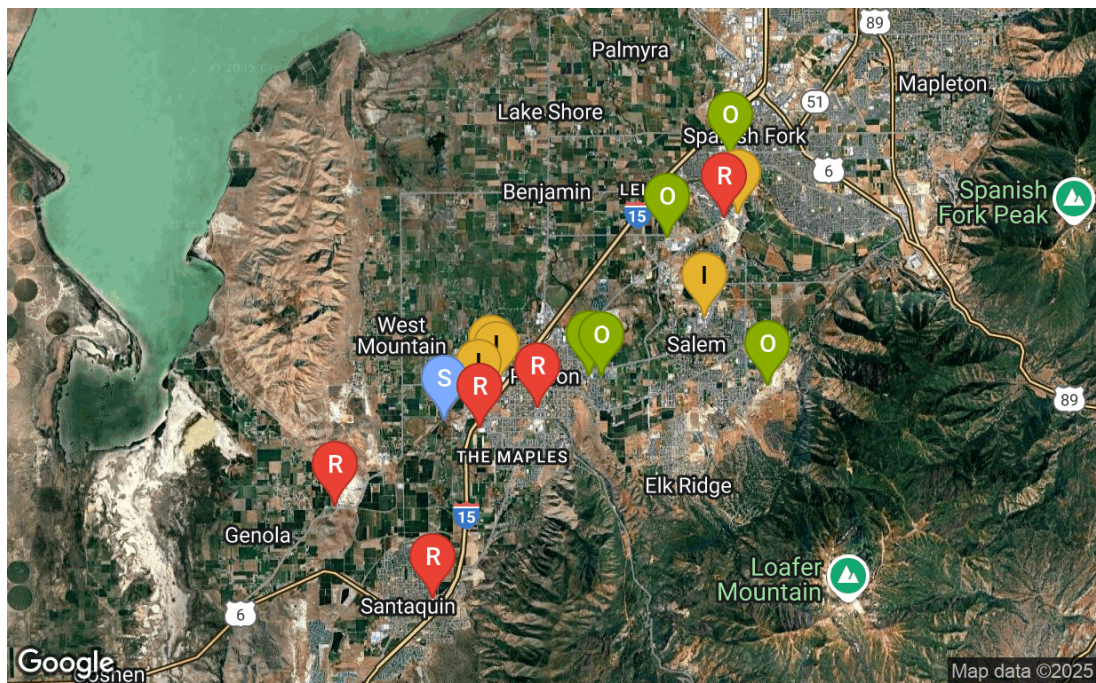
The three largest industrial properties are at 1551 American Way, 213 Temkin Boulevard and 1199 West Utah Avenue with an NRA of 410,833 SF, 382,435 SF and 323,388 SF that were built in 2019, 1997 and 1996, respectively. The closest large industrial property in proximity to the subject is at 1851 West 200 South with an NRA of 153,187 SF that was built in 1977. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Industrial Building	0.8 Miles	A	Industrial	410,833	100.0	2019
Payson Industrial Park	1.3 Miles	B	Industrial	382,435	100.0	1997
Liberty Safe and Security	1.3 Miles	C	Industrial	323,388	100.0	1996
Arrow head Center	7.3 Miles	D	Industrial	221,351	100.0	1932
Industrial Building	5.7 Miles	E	Industrial	210,384	100.0	1997
Industrial Building	1.4 Miles	F	Industrial	190,435	100.0	1993
Industrial Building	7.0 Miles	G	Industrial	175,000	100.0	1916
Industrial Building	0.6 Miles	H	Industrial	153,187	100.0	1977
Industrial Building	1.0 Miles	I	Industrial	136,703	100.0	1979
Industrial Building	6.1 Miles	J	Industrial	123,500	100.0	1958

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



Subject Property Analysis

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Railroad Tracks, Vacant Land
- › **South** - Railroad Tracks, Vacant Land
- › **East** - Vacant Land
- › **West** - Railroad Tracks, Vacant Land

Access

The subject property does not front an improved public street, but it has legal access via an easement. The access easement is via a private dirt road and is limited to agricultural use under current conditions. Based on our field observations and comparison to other development parcels in the area, the subject's access is rated below average, particularly in the context of properties positioned for near-term development.

Visibility

The larger parcel does not directly front a public street. In comparison to competitive properties, the subject property has fair visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall positive external influence for the subject, which is concluded to have a below average position in context of competing properties due to its lack of access and below average visibility.

Summary

As of the effective date, the long-term outlook for Utah County remained highly optimistic. The county's young population, high birth rates, and strong in-migration trends contributed to sustained growth. The region's dynamic economy, supported by a skilled workforce and a strong entrepreneurial ecosystem, positioned it well for continued prosperity. Utah County's strategic investments in infrastructure and its appeal as a tech hub further reinforced its potential for future growth.

Site Description – Larger Parcel

The larger parcel is the property for which the condemnor is required to pay just compensation for damages. In determining the extent of the larger parcel, three tests are applied;

1. Unity of title;
2. Unity of use; and
3. Contiguity

Unity of title requires that the property be under the same ownership, or, at least under the beneficial control of a single individual or entity. Unity of use requires that the property have the same, or an integrated, highest and best use. Contiguity generally requires that the property be adjoining, although separation by a road or a right-of-way does not necessarily make a property non-contiguous.

We have determined the larger parcel for this assignment to be all of parcel 51-622-0002, which is owned by Finch Family Properties LLC. This parcel is all owned by the same entity, all has the same highest and best use and is contiguous.

General Description

The larger parcel consists of 1 parcel. As noted below, the subject site has 545,798 SF (12.53 AC) of land area. According to the county assessor's aerial map, railroad tracks cross the southern portion of the subject property. This area is considered unbuildable due to the presence of the rail corridor and, based on aerial measurement, encompasses approximately 1.81 acres. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel	51-622-0002	
Number Of Parcels	1	
Land Area	Acres	Square Feet
Primary Parcel	10.72	466,954
Unusable Land (Railroad)	1.81	78,844
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	12.53	545,798
Shape	Triangular - See Plat Map For Exact Shape	
Topography	Level at street grade	
Drainage	Assumed Adequate	
Utilities	Sewer is along eastern boundary. All other utilities are 1,400' to the east at American Way.	
Frontage	The subject does not front an improved street. It has access on unimproved, private dirt roads through the adjoining parcels to the west and northeast via access easements.	

Accessibility The accessibility of the subject is rated as fair due to its lack of frontage on an improved street. I-15 is a major transportation arterial within proximity to the subject, providing linkage to the surrounding area.

Exposure The subject has fair exposure, as it is not located along an improved street. The property has minimal visibility from an improved street.

Seismic

The subject is in High Risk. The seismic zone factor (or Z factor) corresponds numerically to the effective horizontal peak bedrock acceleration (or equivalent velocity) that is estimated as a component of the design base shear calculation. In each seismic zone an earthquake-related event would create an effective peak bedrock acceleration of 0.1 times the force of gravity for Zone 1, 0.15 times the force of gravity for Zone 2A, 0.2 times the force of gravity for Zone 2B, 0.3 times the force of gravity for Zone 3 and 0.4 times the force of gravity for Zone 4. These values correspond to ground motion values with a 10% probability of being exceeded in 50 years.

Flood Zone

Zone X (Unshaded). This is referenced by Community Number 490157, Panel Number 49049C0744F, dated June 19, 2020. Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.

Site Rating

Overall, the subject site is considered a fair development site in terms of its location, exposure, and access. It does not front an improved street and as such has low visibility. In order to be developed, access and utilities must be brought to the site from approximately 1,400' to the east at American Way. It is also irregularly shaped, which affects the functionality and layout of any improvements.

Easements

A preliminary title report was not available for review. Based on the county assessor's aerial map, railroad tracks pass along the southern boundary of the subject. We assume there is a railroad right-of-way easement in this area and it is considered unusable. The size of this area is based on our aerial measurement. It is an extraordinary assumption that our estimated size of the railroad easement is accurate. If this assumption is found to be incorrect, the opinions of value expressed in this report could be affected. During the on-site inspection, no other adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

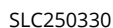
A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

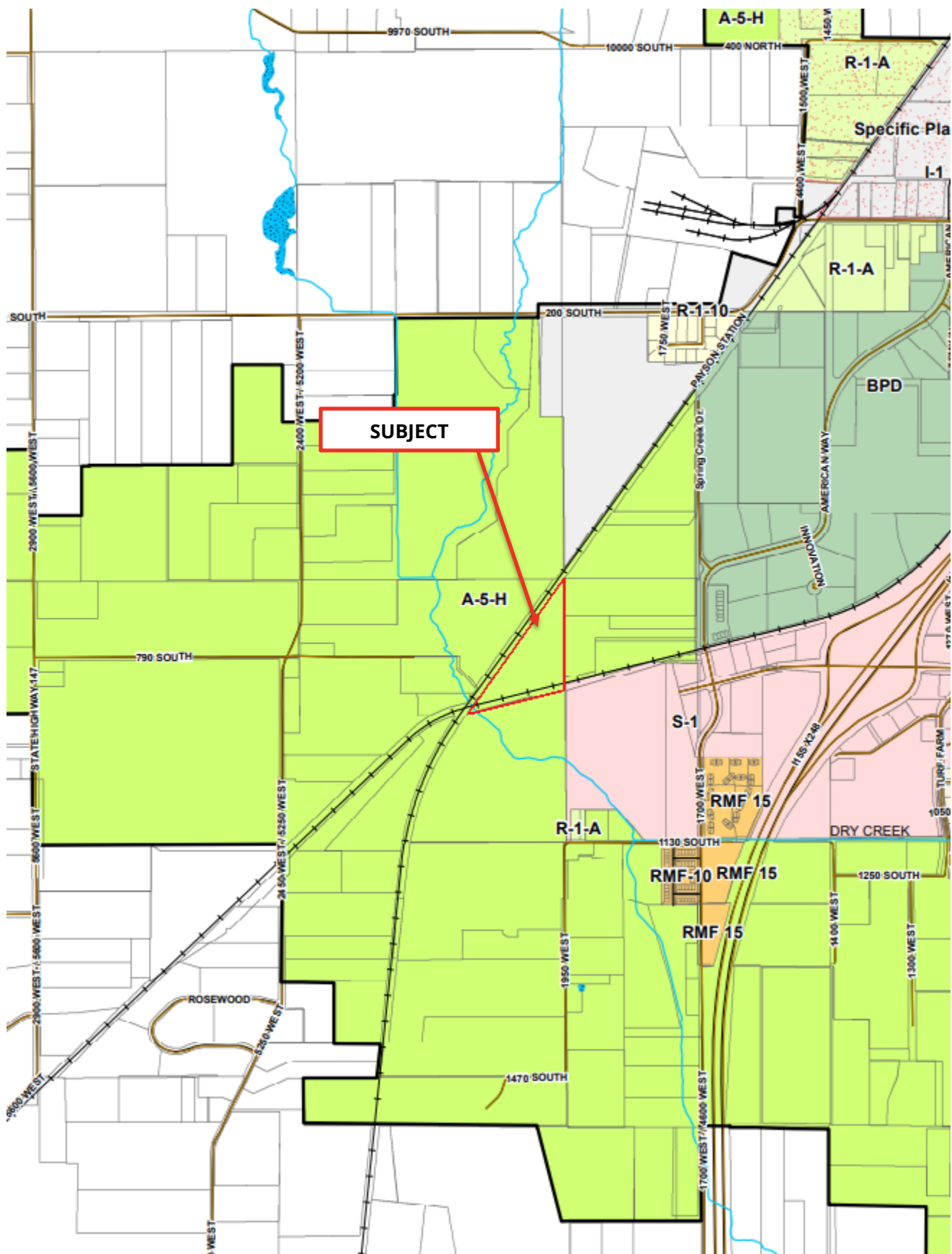
Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Plat Map





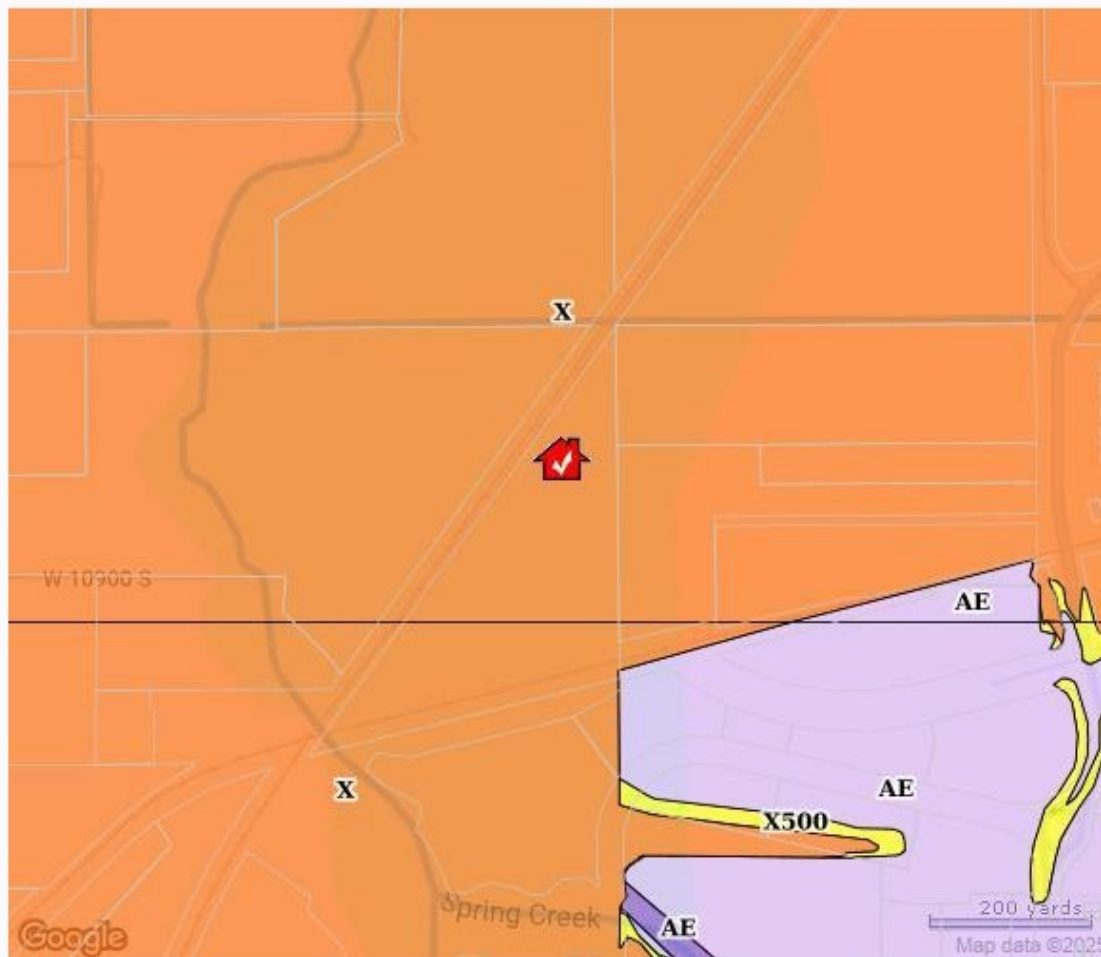


Flood Map

Flood Zone Code	Flood Zone Panel	Panel Date
AE	490157 - 49049C0744F	06/19/2020
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?		Community Name
In	Yes (X,AE)	PAYSON

Flood Zone Description:

Zone AE-An area inundated by 100-year flooding



Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

Introduction

Assessment of real property is established by an assessor who is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within Utah County. The assessed value and property tax for the current year are summarized in the following table.

Assessment & Taxes						
Tax Year	2024			Tax Rate	1.8327%	
Tax Rate Area				Taxes Current	Yes	
APN	Land	Improv.	Total	Exemptions	Taxable	Base Tax
51-622-0002	\$559,400	\$0	\$559,400	\$551,757	\$7,643	\$140
Totals	\$559,400	\$0	\$559,400	\$551,757	\$7,643	\$140
Total/SF	\$1.02	\$0.00	\$1.02	\$1.01	\$0.01	\$0.00
Total Base Tax						\$140
Total Base Tax Per SF						\$0.00

Source: Utah County County Assessment & Taxation

Subject Property Analysis

The total assessment for the subject property is \$559,400 or \$1.02/SF. The subject property benefits from a greenbelt exemption in the amount of \$551,757, reducing the taxable assessment to \$7,643 or \$0.01/SF. Total taxes for the property are \$140 or \$0.00/SF. If the property is developed. It should be assumed that the greenbelt exemption will be removed. When a piece of real property is determined by the County Assessor's office as no longer qualifying for assessment under the FFA "Greenbelt" law, the Assessor is required to apply a rollback tax to the property. Land that is withdrawn from assessment under the FAA is subject to a rollback tax equal to the difference between:

- the amount of taxes that would have been charged under a market-based assessment, and
- the amount of taxes that were charged under the FAA assessment.

In Utah, taxes are calculated by multiplying the tax rate by the taxable value. The taxable value is calculated at 100% of the final value or market value for commercial properties and 55% for residential properties. All multifamily properties receive this exemption noted above for the subject. All property is reappraised annually, and Utah law requires a review of property characteristics once every five years. A sale of the subject does not necessarily trigger a reassessment. Utah is a non-disclosure state, so purchase prices are not known by the Assessor's office. The final value is the reported market value of the property, as reported by the assessor's offices. Tax rates are set by procedures established in the Utah Constitution. There are many different rates in Utah County, and they vary across the county depending on which school district, city, special service district, and etc. the property is located.

According to the Utah County Assessor's Office, real estate taxes for the subject property are current as of the date of this report.

Introduction

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

Zoning Summary	
Municipality Governing Zoning	City of Payson Planning & Zoning Department
Current Zoning	Annexation Holding Zone (A-5-H)
Purpose	According to the Payson City Municipal Code "The A-5-H Holding Zone is not intended to establish the long-term land use pattern for properties included in the district. Rather, the purpose and intent of the A-5-H Zone is to provide zoning regulations to govern the use of land following annexation and prior to intensification of land use." It further states "Until a specific plan or development proposal is prepared and adopted by the City Council... each original parcel included in the annexation petition is entitled to a single (one-time) division into two separate parcels. Each parcel must satisfy the requirements of the A-5 Zone."
Permitted Uses	Permitted uses within this zoning district primarily include agriculture and horticulture, keeping of animals, detached single family dwellings, accessory apartments, public or private utilities, parks and recreational facilities and residential facilities for the elderly or persons with a disability.
Conditional Uses	Conditional uses include ranch or farm employee dwellings, cellular and low power towers, water storage facilities, drinking or irrigation, cemetery grounds and facilities, religious buildings and structures, educational facilities, public or private utility maintenance facilities.
Current Use	Agriculture
Is Current Use Legally Permitted?	Yes
Zoning Change	Anticipated

Zoning Requirements	
Minimum Site Area (SF)	5 acres
Minimum Yard Setbacks	
Front (Feet)	25
Rear (Feet)	25
Side (Feet)	8
Maximum Site Coverage	20%
Maximum Building Height	35 Feet
Maximum Building Area	0 SF

Source: City of Payson Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject's current agricultural use is an outright permitted use of the A-5-H zone.

Introduction

As concluded ahead, the highest and best use of the subject site as-vacant is to hold for future development. Based on a conversation with Payson City, if the road project impacting the subject hypothetically didn't exist, the subject could likely be rezoned to Business Park. Therefore, this section provides a brief study of industrial supply/demand conditions for the Provo MSA Market and Payson Submarket, market participant interviews and transaction trends. These findings are used to support our conclusions for the competitive position, and exposure period of the subject site.

Provo MSA Industrial Market

The following is an analysis of supply/demand trends in the Provo MSA Industrial market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

PROVO MSA HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2015	35,667,347 SF	467,498 SF	242,012 SF	2.5%	\$5.82/SF
2016	37,804,647 SF	2,140,800 SF	2,056,539 SF	2.3%	\$6.13/SF
2017	38,593,165 SF	792,118 SF	759,343 SF	2.4%	\$6.94/SF
2018	40,328,266 SF	1,832,652 SF	1,365,588 SF	2.9%	\$7.38/SF
2019	41,727,540 SF	1,447,011 SF	1,666,664 SF	3.1%	\$7.72/SF
2020	44,053,343 SF	2,325,803 SF	1,929,383 SF	3.6%	\$8.02/SF
2021	47,508,881 SF	3,481,086 SF	4,165,521 SF	2.1%	\$8.61/SF
2022	49,692,505 SF	2,201,655 SF	2,059,419 SF	1.8%	\$10.05/SF
2023	58,163,344 SF	8,470,839 SF	4,899,169 SF	5.0%	\$11.19/SF
2024	58,806,691 SF	643,347 SF	1,068,205 SF	6.9%	\$12.68/SF
CAGR	5.1%	-	-	-	8.1%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years the Provo MSA Industrial market was strong where there was generally balance in prevailing Industrial supply/demand conditions. Over this time period the market inventory significantly increased by 66.7%. Further there was significant positive absorption (56.7% change), moderate increase in the vacancy rate (4.4% change) and considerable increase of the asking average rent (117.9% change).

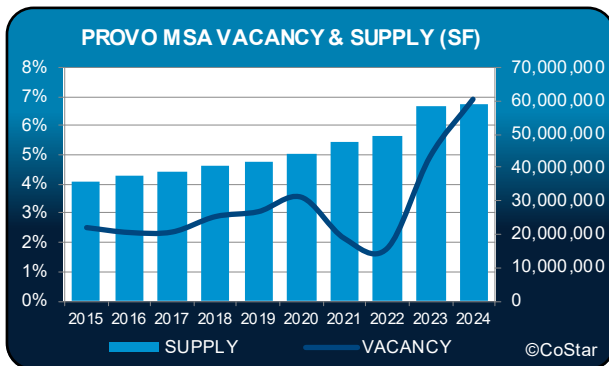
Analysis of the data indicates the Provo MSA Industrial market has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS				
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2015-2024	23,802,809 SF	20,211,843 SF	2.5%→6.9%	\$5.82→\$12.68
10 Yrs	66.7%	56.7%	4.4%	117.9%
2015-2016	2,608,298 SF	2,298,551 SF	2.5%→2.3%	\$5.82→\$6.13
2 Yrs	7.3%	6.4%	-0.2%	5.3%
2017-2020	6,397,584 SF	5,720,978 SF	2.4%→3.6%	\$6.94→\$8.02
4 Yrs	16.6%	14.8%	1.2%	15.6%
2021-2024	14,796,927 SF	12,192,314 SF	2.1%→6.9%	\$8.61→\$12.68
4 Yrs	31.1%	25.7%	4.8%	47.3%

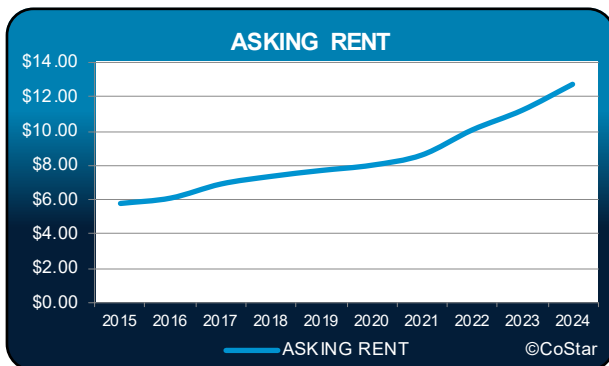
The two year period from 2015 to 2016 was highlighted with significantly increased supply, significant positive absorption, moderate decrease of vacancy rates and considerable increase of asking rent in the market. The next four year period from 2017 to 2020 featured significantly increased supply, significant positive absorption, moderate increase of vacancy rates and considerable increase of asking rent levels. The most recent four year period from 2021 to 2024 featured significantly increased supply, significant positive absorption, increase of vacancy rates and considerable increase of asking rent levels.

Market Analysis

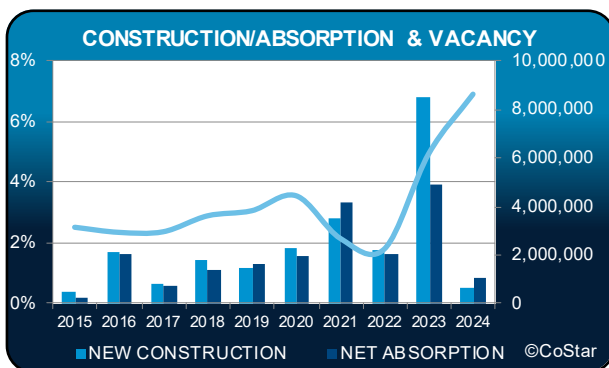
Over the past ten years the market had a compound annual growth rate (CAGR) of 5.1% per year. Vacancy has ranged from 1.8% to 6.9% with an average of 3.2%. Vacancy decreased from 2.5% in 2015 to 2.3% in 2016, increased from 2.4% in 2017 to 3.6% in 2020 and increased from 2.1% in 2021 to 6.9% in 2024.



Over the past ten years asking rent has experienced a CAGR of 8.1%. Asking rent hit a low of \$5.82/SF in 2015 and a high in 2024 at \$12.68/SF.



In the past ten years a total of 23,802,809 SF were added to the supply with 20,211,843 SF of net absorption achieved during the same period.

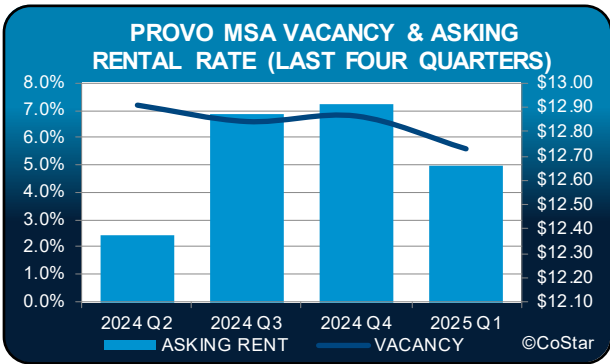


PROVO MSA TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2024 Q2	58,461,899 SF	196,614 SF	139,711 SF	7.2%	\$12.37/SF
2024 Q3	58,586,505 SF	124,606 SF	432,186 SF	6.6%	\$12.87/SF
2024 Q4	58,806,691 SF	220,186 SF	85,802 SF	6.8%	\$12.91/SF
2025 Q1	58,955,545 SF	148,854 SF	845,844 SF	5.6%	\$12.66/SF

Source: Costar®

As of Q1 2025 the Provo MSA market has a total Industrial inventory of 58,955,545 SF with 3,323,561 SF vacant indicating a current vacancy rate of 5.6%. There was 148,854 SF completed last quarter, whereas there was 690,260 SF added in the last year.

Over the past four quarters the Provo MSA industrial market has experienced a moderate increase of supply. These key factors have resulted in positive net absorption, decrease of vacancy rates and increase of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

PROVO MSA MARKET TREND ANALYSIS			
	Q1 2025	2024	Last 10
Total SF	58,955,545	58,806,691	45,234,573
Vacant SF	3,323,561	4,075,304	1,467,862
Market Vacancy	5.6%	6.9%	3.2%
Construction Growth Rate	0.3%	1.1%	5.1%
Absorption Rate	1.4%	1.8%	3.4%
Average Asking Rent/SF	\$12.66	\$12.68	\$8.45

Source: Costar®

Vacancy

The Q1 2025 vacancy rate (5.6%) is slightly lower than last year (6.9%) and higher than the average vacancy over the past ten years (3.2%). The historic vacancy trend indicates stable long-term demand for industrial space in the Provo MSA market. The most recent vacancy trends demonstrate slightly inferior market conditions in comparison to the historic trend and suggest continued stability moving forward.

Supply

The inventory grew by 0.3% during Q1 2025, whereas the growth rate was 1.1% last year. Over the past ten years the Provo MSA industrial market grew at a CAGR of 5.1%. The historic trend demonstrates a strong growth rate that was generally supported. The most recent trends show reduced growth in comparison to the historic trend in reaction to the current economic conditions. As summarized in the table below, there are 22 Industrial projects under construction in the Provo MSA Industrial market totaling 853,570 SF that represent 1.4% of supply that will be added in the near term. The construction activity in the market appears to be at a level that will reasonably be supported by the market. Based on this evidence it appears that supply side issues do not represent a threat to the stability of supply/demand conditions in the market.

PROVO MSA INDUSTRIAL CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	22	853,570	1.4%

Source: Costar®

Absorption

During Q1 2025 net absorption was 1.4% and net absorption was 1.8% over the last year. The Provo MSA industrial market has established an overall trend of strong absorption (3.4%) over the past ten years. The historic absorption trend indicates strong long-term demand for industrial space in the Provo MSA market. The most recent absorption trends demonstrate somewhat inferior market conditions in comparison to the historic trend, but the market expectation is continued stability moving forward.

Provo MSA Market Conclusion

Based on the preceding analysis, the Provo MSA Industrial market demonstrates sound fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. The greatest strength of the market appears to be its strong absorption trends and increasing rents. The greatest weakness of the market appears to be its increasing vacancy rates due to recent increases in supply.

Payson Industrial Submarket Overview

The following is an analysis of supply/demand trends in the Payson Industrial submarket using information provided by CoStar. The table below presents historical data for key market indicators.

PAYSON HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2015	1,993,530 SF	19,238 SF	15,038 SF	0.4%	\$4.24/SF
2016	2,058,628 SF	65,098 SF	56,398 SF	0.6%	\$4.32/SF
2017	2,058,628 SF	0 SF	10,600 SF	0.8%	\$5.47/SF
2018	2,089,680 SF	72,548 SF	33,752 SF	0.6%	\$4.53/SF
2019	2,567,513 SF	477,833 SF	477,333 SF	1.1%	\$2.75/SF
2020	2,574,268 SF	6,755 SF	(29,897) SF	0.9%	\$7.15/SF
2021	2,574,268 SF	0 SF	(17,477) SF	1.7%	\$8.26/SF
2022	2,618,877 SF	44,609 SF	96,430 SF	1.3%	\$8.33/SF
2023	2,920,077 SF	301,200 SF	58,208 SF	2.2%	\$8.76/SF
2024	3,019,160 SF	99,083 SF	104,796 SF	8.9%	\$13.94/SF
CAGR	4.2%	-	-	-	12.6%

*Supply numbers based on information which is amended/updated on an on-going basis by CoStar.

Source: CoStar®

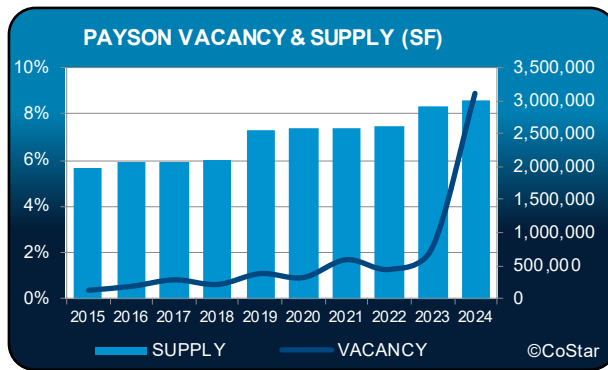
Over the past ten years the Payson Industrial submarket was strong where there was generally balance in prevailing Industrial supply/demand conditions. Over this time period the submarket inventory significantly increased by 54.5%. Further there was significant positive absorption (40.4% change), moderate increase in the vacancy rate (8.5% change) and considerable increase of the asking average rent (228.8% change).

Analysis of the data indicates the Payson Industrial submarket has gone through three distinctive trends over the past ten years.

TEN YEAR HISTORICAL TREND ANALYSIS				
PERIOD	ADDED SUPPLY	NET ABSORPTION	VACANCY	ASKING RENT
2015-2024	1,086,364 SF	805,181 SF	0.4%→8.9%	\$4.24→\$13.94
10 Yrs	54.5%	40.4%	8.5%	228.8%
2015-2017	84,336 SF	82,036 SF	0.4%→0.8%	\$4.24→\$5.47
3 Yrs	4.2%	4.1%	0.5%	29.0%
2018-2018	72,548 SF	33,752 SF	0.6%→0.6%	\$4.53→\$4.53
1 Yrs	3.5%	1.6%	0.0%	0.0%
2019-2024	929,480 SF	689,393 SF	1.1%→8.9%	\$2.75→\$13.94
6 Yrs	36.2%	26.9%	7.8%	406.9%

The three year period from 2015 to 2017 was highlighted with increased supply, positive absorption, moderate increase of vacancy rates and considerable increase of asking rent in the submarket. The next one year period from 2018 to 2018 featured significantly increased supply, positive absorption, stability of vacancy rates and stable of asking rent levels. The most recent six year period from 2019 to 2024 featured significantly increased supply, significant positive absorption, increase of vacancy rates and considerable increase of asking rent levels.

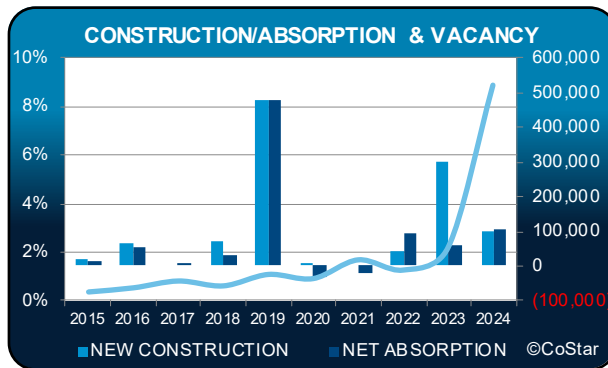
Over the past ten years the submarket had a compound annual growth rate (CAGR) of 4.2% per year. Vacancy has ranged from 0.4% to 8.9% with an average of 1.8%. Vacancy increased from 0.4% in 2015 to 0.8% in 2017, decreased from 0.6% in 2018 to 0.6% in 2018 and increased from 1.1% in 2019 to 8.9% in 2024.



Over the past ten years asking rent has experienced a CAGR of 12.6%. Asking rent hit a low of \$2.75/SF in 2019 and a high in 2024 at \$13.94/SF.



In the past ten years a total of 1,086,364 SF were added to the supply with 805,181 SF of net absorption achieved during the same period.



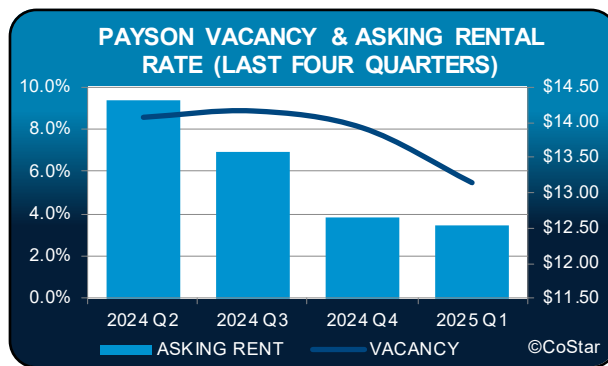
The following table summarizes the trailing four quarter performance of the Payson submarket.

PAYSON TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2024 Q2	2,920,077 SF	0 SF	36,500 SF	8.6%	\$14.31/SF
2024 Q3	2,967,467 SF	47,390 SF	34,961 SF	8.9%	\$13.58/SF
2024 Q4	3,019,160 SF	51,693 SF	72,460 SF	8.1%	\$12.66/SF
2025 Q1	3,019,160 SF	0 SF	77,529 SF	5.5%	\$12.54/SF

Source: Costar®

As of Q1 2025 the Payson submarket has a total Industrial inventory of 3,019,160 SF with 165,758 SF vacant indicating a current vacancy rate of 5.5%. There was no additional inventory delivered last quarter, whereas there was 99,083 SF added in the last year.

Over the past four quarters the Payson industrial submarket has experienced an increase of supply. There was also positive net absorption, decrease in vacancy rates and decrease of asking rent in the marketplace.



Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

PAYSON MARKET TREND ANALYSIS			
	Q1 2025	2024	Last 10
Total SF	3,019,160	3,019,160	2,447,463
Vacant SF	165,758	268,101	45,229
Market Vacancy	5.5%	8.9%	1.8%
Construction Growth Rate	0.0%	3.3%	4.2%
Absorption Rate	2.6%	3.5%	2.7%
Average Asking Rent/SF	\$12.54	\$13.94	\$6.78

Source: Costar®

Vacancy

The Q1 2025 vacancy rate (5.5%) is substantially lower than last year (8.9%) and substantially higher than the average vacancy over the past ten years (1.8%). The historic vacancy trend indicates strong long-term demand for industrial space in the submarket. Vacancy rates saw a large spike in 2024 as a result of a large increase in supply in 2023. However, the decline in Q1 2025 to 5.5% indicates this supply is being absorbed. Overall, market conditions in comparison to the historic trend suggest continued strong demand moving forward.

Supply

There was no new inventory added during Q1 2025, whereas the growth rate was 3.3% last year. Over the past ten years the Payson industrial submarket grew at a CAGR of 4.2%. The historic trend demonstrates a strong growth rate that was generally supported. The most recent trends show similar growth in comparison to the historic trend in reaction to the current economic conditions.

PAYSON INDUSTRIAL CONSTRUCTION ACTIVITY SUMMARY			
STATUS	NO. OF PROJECTS	SIZE (SF)	% OF SUPPLY
Under Construction	0	0	-

Source: Costar®

Absorption

During Q1 2025 net absorption was 2.6% and net absorption was 3.5% over the last year. The Payson industrial market has established an overall trend of strong absorption (2.7%) over the past ten years. The historic absorption trend indicates strong long-term demand for industrial space in the Payson submarket. The most recent absorption trends demonstrate similar market conditions in comparison to the historic trend and suggest continued moderately strong demand moving forward.

Payson Submarket Conclusion

Based on the preceding analysis, the Industrial submarket demonstrates strong fundamentals. Analysis of supply and demand factors indicate the market is currently stable with no evidence to prove this will change any time soon. The greatest strength of the submarket appears to be its strong absorption and its increasing rents. The greatest weakness of the submarket appears to be its increasing vacancy rates resulting from the increase in supply.

Inflation Impact / Macroeconomy Overview

Over the past three years, macroeconomic conditions have slowed commercial real estate activity and tightened debt markets. GDP growth has moderated. CPI trends indicate a continued but slower pace of inflation, reflecting the impact of tighter monetary policy. Inflation reached a high of 9.1% in June 2022 and declined to 2.5% in August 2024. Although above the goal of 2.0% targeted as normal for a healthy economy, the inflation break has paved the way for a shift in interest rates. With employment growth slowing, the unemployment rate reached 4.2% in August 2024. Macroeconomic changes of this nature suggest a softening economy or the potential for recession. In July 2024, bond markets began pricing to suggest federal funds rate cuts were imminent. Likewise, many economists believe the certainty of multiple rate cuts in 2024 has increased.

In the September 2024 meeting, the Federal Reserve announced a rate reduction of 50 basis points to 4.75% to 5.0%. Statements from the Chair suggest future 2024 rate cuts were being considered with a continued goal to reach 2% inflation objective. Forecasts project another 50-basis points in rate cuts by year end with the majority of traders expecting 75, with meeting dates on November 7th and December 18th. Messaging thus far has been centered on measured cuts going forward unless economic conditions warrant a more significant rate reduction. As of September 23, 2024, the 10-Year Treasury was at 3.75%. This shift marks a decrease from a high of 5% in the 4th Quarter of 2023 and a trend in the 4.25 to 4.5% range through most of 2024.

Following the September rate cut, the Federal Reserve implemented an additional 25-basis-point reduction in November and another 25-basis-point cut in December, bringing the federal funds rate to a range of 4.25% to 4.6% by year-end 2024. The 10-Year Treasury increased through the end of 2024 into the beginning of 2025, hitting a high of 4.8% January 13, 2025. Inflation continued its downward trend, reaching 2.2% by March 2025, approaching the Fed's 2% target. The 10-Year Treasury yield declined from its January local peak and bottomed at 4.0% on April 4, 2025. It has since climbed to 4.5% as of April 11, 2025 in response to the announcement of U.S.-imposed tariffs and the ensuing fears of "trade war." While caution remains due to lingering concerns about economic softening, the outlook has shifted toward cautious optimism.

Subject Property Analysis

Given the subject's highest and best use as a hold for future development, the most likely buyer is someone interested in using the property for agricultural purposes in the near term, while also recognizing its long-term development potential. Although some interest may come from local or regional investors, the property's location and characteristics make it equally or more likely to appeal to an end user who values both its current utility as farmland and its speculative upside. Market activity and feedback suggest steady demand for similar speculative land in the area.

Introduction

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant.

As-Vacant Analysis

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The subject property is currently zoned A-5-H (Annexation Holding Zone) under Payson City's land use ordinance. This zoning designation is intended to preserve land for long-term future development while allowing current use for agricultural or low-intensity residential purposes on minimum 5-acre lots. Development under this designation is limited to uses such as farming, grazing, and single-family rural residential structures. The A-5-H designation also reflects the city's intent to manage orderly future annexation and infrastructure expansion.

According to the Payson City Engineer, if access were obtained from American Way via the acquisition of a 58-foot-wide corridor from an adjoining parcel, and if utilities were extended along that corridor, the property could hypothetically be eligible for rezoning. While the exact zoning designation is uncertain, he reported that it would likely be to the Business Park Development (BPD) zone. The BPD zone permits a mix of light industrial, commercial, and business park uses, reflecting the city's broader land use and economic development goals for the area.

However, the subject is affected by a planned road corridor intended to traverse the site, and the appraisal is being conducted for the purpose of assisting with the full acquisition of the property for public right-of-way preservation. In accordance with the Project Influence Rule, this analysis is conducted under the hypothetical condition that the planned public road project does not exist and has had no influence on the subject property or surrounding market. As such, the legally permissible uses are evaluated as they would exist in the absence of the proposed project.

Physical & Locational Factors

The subject property consists of approximately 12.53 acres of generally level, vacant land currently used for agricultural purposes, with no site improvements. A railroad tracks easement runs along the southern portion of the site that is elevated above the property; this area measures approximately 1.81 acres based on our estimate and is considered unusable for development or agricultural purposes. Legal access exists via an easement but no improved street access is available, which suffices for farming but does not meet requirements for residential or commercial development under local codes.

Additionally, the property lacks utility connections, including water, sewer, and power, which would be necessary for any residential or commercial development. While the extension of utilities may be physically feasible from American Way, doing so would require the acquisition of a corridor through an adjacent property and significant off-site improvements. Overall, the physical characteristics of the site (size, shape, and topography) are suitable for development, but current infrastructure and access limitations significantly constrain its immediate development potential beyond continued agricultural use.

Feasibility Factors

Under its current zoning and access limitations, continued agricultural use is financially feasible and consistent with market expectations. However, market activity in the surrounding area — including speculative land purchases, infrastructure planning, and nearby industrial and commercial development — suggests that properties in similar transitional zones may support higher values based on anticipated rezoning and development potential.

Assuming that access and infrastructure improvements could be secured through acquisition of a corridor and utility extensions, rezoning and development of the subject property could be financially feasible. However, this feasibility is largely contingent upon the property being purchased by the owner of one of the two adjoining parcels to the east, or by a buyer who is also acquiring one or both of those adjoining properties to assemble a larger, contiguous tract.

Without such land assembly, the costs associated with infrastructure improvements and access acquisition most likely make standalone development financially impractical in the near term. As a result, the most viable current use for the subject is continued agricultural operations, with development deferred until conditions improve and more comprehensive land assembly occurs.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant and under the hypothetical condition that the proposed road corridor project does not exist, is to hold for future development. The most likely buyer is someone interested in using the property for agricultural purposes in the near term, while also recognizing its long-term development potential. Although some interest may come from local or regional investors, the property's location and characteristics make it equally or more likely to appeal to an end user who values both its current utility as farmland and its speculative upside.

Introduction

The following presentation of the appraisal process deals directly with the valuation of the subject property. The As-Is Market Value of the subject's fee simple interest is estimated using the Sales Comparison Approach, which is recognized as the standard appraisal technique for commercial land. The Cost and Income Capitalization Approaches are not applicable when valuing unimproved commercial land and are therefore excluded. Their exclusion is not detrimental to the reliability or credibility of the final value conclusion.

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Land Valuation

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

Unit Of Comparison

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

Comparable Selection

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

Adjustment Process

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages. Comparable 1 was purchased by the adjoining property owner to the north who is a developer in the process of rezoning to multifamily and developing the area. It is adjusted downward.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.

Land Valuation

Market Conditions

Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, land prices in the local area have been relatively flat for the past 12 to 18 months but have increase somewhat since 2022 and 2023. Accordingly, sales older than 18 months are adjusted upward 10%.

Property Adjustments

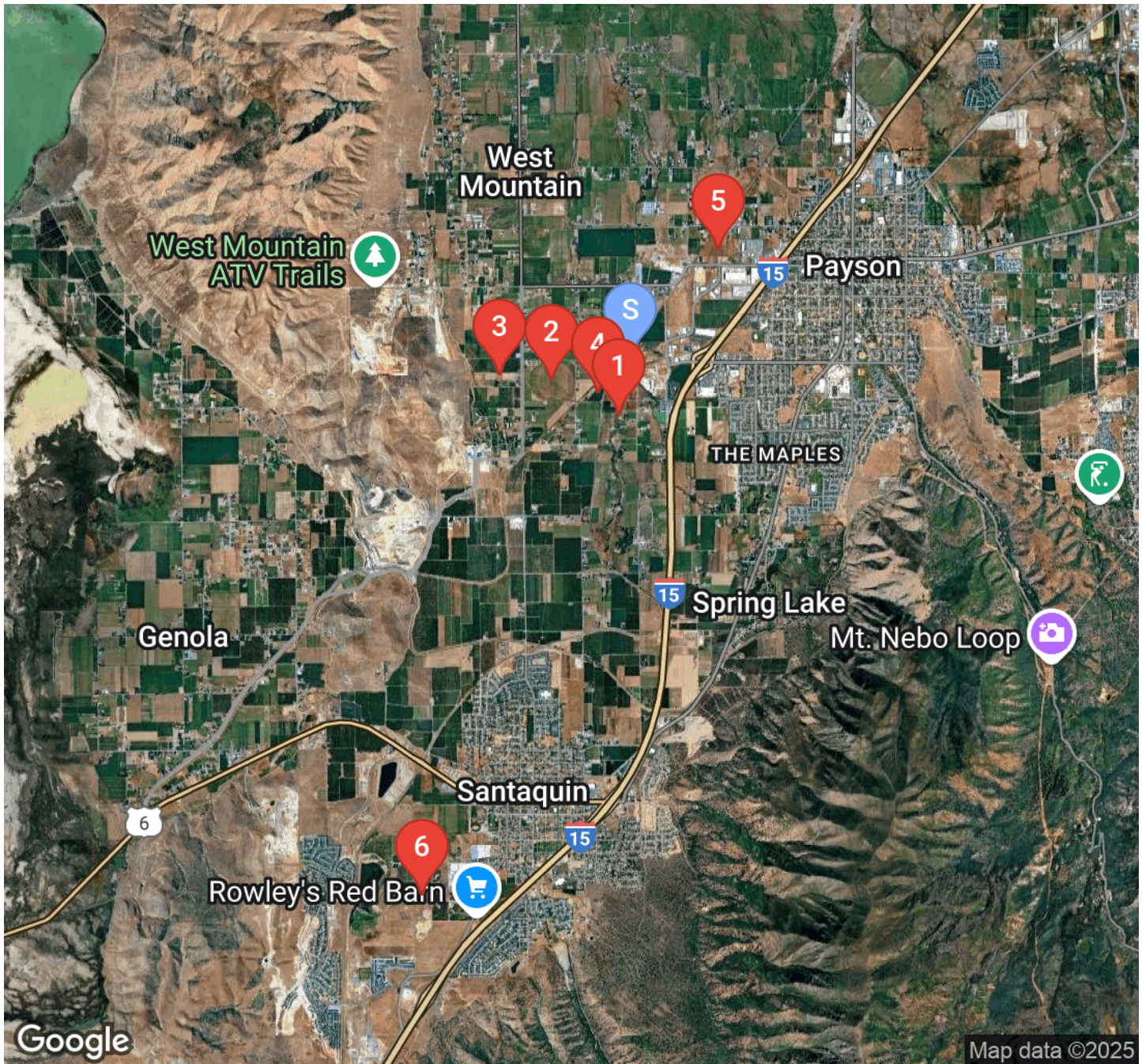
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

Land Valuation Presentation

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

Land Sales Summation Table							
Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name	Payson Vacant Land Parcel 51-622-0002	Future Development Land	West Payson Land	Unbuildable Payson Land	West Payson Land	Payson Industrial Land	Landlocked Santaquin Land
Address	744 South 1700 West	1252 South 1950 West	2900 W 790 S	800 S 2900 W	11000 South 2400 West	100 N American Way	800 S 900 W
City	Payson	Payson	Pay	Payson	Payson	Payson	Santaquin
State	UT	UT	UT	UT	UT	UT	UT
Zip	84651	84651	84651	84651	84651	84651	84655
County	Utah County	Utah	Utah	Uintah	Utah	Uintah	Uintah
APN	51-622-0002	29-023-0030	29-009-0023	29-013-0031	29-012-0015	30-022-0022	32-017-0012
Physical Information							
SF	545,798	688,683	4,392,590	621,601	507,474	413,820	544,500
Location	Average	Average	Fair	Fair	Fair/Average	Average/Good	Fair
Exposure	Fair	Average	Average	Average	Average	Average	Average
Access	Fair	Average	Average	Fair	Average	Fair/Average	Fair
Shape	Triangular	Irregular	Generally	Irregular	Irregular	Rectangular	Triangular
Site Utility Rating	Average	Average	Average	Average	Average	Average	Fair/Average
Sale Information							
Date		10/22/2024	7/5/2024	9/18/2023	6/30/2023	3/2/2022	7/21/2023
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$2,550,000	\$5,535,000	\$695,000	\$787,500	\$1,140,000	\$500,000
Analysis Price		\$2,570,000	\$5,535,000	\$695,000	\$787,500	\$1,140,000	\$500,000
\$/SF Land		\$3.73	\$1.26	\$1.12	\$1.55	\$2.75	\$0.92

Land Sales Location Map



Comparable Key

Comp	Distance	Address	Sale Date	Acres	SF	\$/Acre
Subject	-	744 South 1700 West, Payson, UT	-	12.5	545,798	-
No. 1	0.5 Miles	1252 South 1950 West, Payson, UT	10/22/2024	15.8	688,683	\$3.73
No. 2	0.7 Miles	2900 W 790 S, Pay, UT	7/5/2024	100.8	4,392,590	\$1.26
No. 3	1.2 Miles	800 S 2900 W, Payson, UT	9/18/2023	14.3	621,601	\$1.12
No. 4	0.4 Miles	11000 South 2400 West, Payson, UT	6/30/2023	11.7	507,474	\$1.55
No. 5	1.2 Miles	100 N American Way, Payson, UT	3/2/2022	9.5	413,820	\$2.75
No. 6	5.1 Miles	800 S 900 W, Santaquin, UT	7/21/2023	12.5	544,500	\$0.92

Comparable 1

Location Information

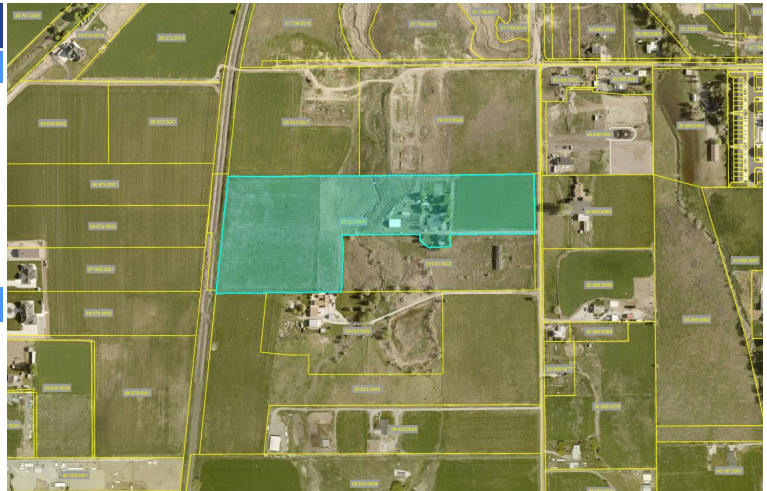
Name	Future Development Land
Address	1252 South 1950 West
City, State, Zip Code	Payson, UT, 84651
County	Utah
MSA	Provo-Orem, UT
APN	29-023-0030

Sale Information

Buyer	Hawkmoon Holdings LLC
Seller	Barbara B. Aitken
Transaction Date	10/22/2024
Transaction Status	Recorded
Transaction Price	\$2,550,000
Analysis Price	\$2,570,000
Recording Number	72027:2024
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	8 Months

Physical Information

Intended Use	Residential
Location	Average
Site Size (Net)	15.81 Acres (688,683 SF)
Site Size (Gross)	15.81 Acres (688,683 SF)
Zoning	A5H
Development Potential	158
Density	10
Shape	Irregular
Topography	Level
Access	Average
Exposure	Average
Corner	No
Utilities	Yes



Future Development Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$162,555	\$3.73	\$16,266
Net	\$162,555	\$3.73	\$16,266

Confirmation

Name	Dennis DeGraw
Company	South Rim Realty
Source	Seller's Broker
Date / Phone Number	05/27/2025 +1 801 360 0633

Remarks

This property is in Payson City's Annexation Holding Zone. Property in the area has been rezoned RMF-10 which is the expectation of this property. The RMF-10 zone allows ten units per acre. In order to be developed, the property needs to be rezoned, the road improvements need to be upgraded from 1,500 feet away, and utilities brought to the site. Power is available in the street, culinary water is approximately 250' to the north and sewer is approximately 550' to the north. It included 29-acre feet of irrigation water. According to the agent, the property was purchased for future development. The buyers are developers who owned the adjoining parcels to the north. There was a home and some agricultural structures on the property that the buyer planned to tear down. We have estimated the cost to remove these structures at \$20,000.

Comparable 2

Location Information

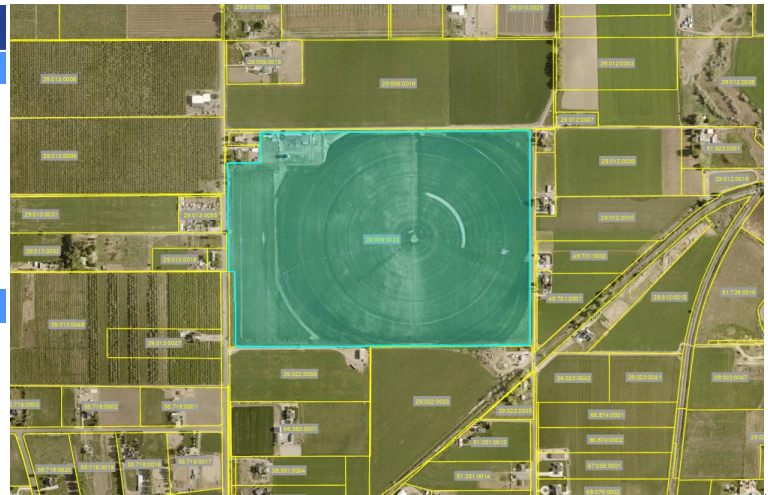
Name	West Payson Land
Address	2900 W 790 S
City, State, Zip Code	Pay, UT, 84651
County	Utah
MSA	Provo-Orem, UT
APN	29-009-0023

Sale Information

Buyer	CW & CW Limited Partnership
Seller	Dan L Wright Heber LLC
Transaction Date	07/5/2024
Transaction Status	Recorded
Transaction Price	\$5,535,000
Analysis Price	\$5,535,000
Recording Number	44584-2024
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	12 Months

Physical Information

Intended Use	Agriculture
Location	Fair
Site Size (Net)	100.84 Acres (4,392,590 SF)
Site Size (Gross)	100.84 Acres (4,392,590 SF)
Zoning	A-5-H
Density	One unit per 5 acres
Shape	Generally Rectangular
Topography	Flat
Access	Average
Exposure	Average
Corner	No
Utilities	No



West Payson Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$54,889	\$1.26	\$5,535,000
Net	\$54,889	\$1.26	\$5,535,000

Confirmation

Name	James Yeates
Company	Colliers
Source	Seller's Broker
Date / Phone Number	06/19/2025 +1 385 296 7686

Remarks

This property is in Payson's annexation holding zone. It has frontage on improved county roads and can be developed into minimum five-acre lots. Power is available to the site, but as-is, development of five-acre residential lots would require private wells and septic tanks. The property is west of the railroad tracks in Payson, which the agent reports limits its near-term viability as a development site because getting city infrastructure to the area will be expensive. The sale included 206.42 share of Strawberry Valley water & water right 51-1254. There was a mobile home and a few agricultural improvements on the site, but the agent believes these added little value.

Comparable 3

Location Information

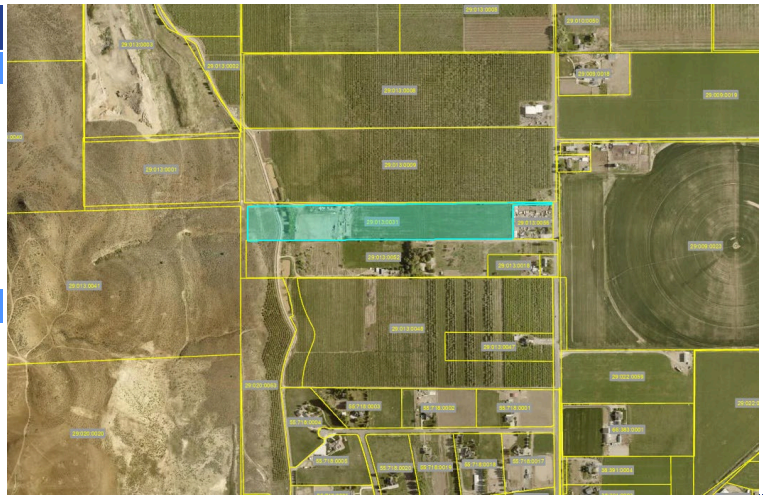
Name	Unbuildable Payson Land
Address	800 S 2900 W
City, State, Zip Code	Payson, UT, 84651
County	Uintah
MSA	Provo-Orem, UT
APN	29-013-0031

Sale Information

Buyer	Armour Construction LLC
Seller	Dallan Carter
Transaction Date	09/18/2023
Transaction Status	Recorded
Transaction Price	\$695,000
Analysis Price	\$695,000
Recording Number	73050
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	2 Months

Physical Information

Intended Use	Undevelopable Land
Location	Fair
Site Size (Net)	14.27 Acres (621,601 SF)
Site Size (Gross)	16.27 Acres (708,721 SF)
Zoning	RA-5
Shape	Irregular
Topography	Generally Level
Access	Fair
Exposure	Average
Corner	No
Utilities	No



Unbuildable Payson Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$42,717	\$0.98	\$695,000
Net	\$48,704	\$1.12	\$695,000

Confirmation

Name	Mike Nelson
Company	Highland Commercial, Inc
Source	Seller's Broker
Date / Phone Number	09/18/2023 +1 385 296 7686

Remarks

This property is located at the western end of Payson City. It is now in the same A-5-H zone as the subject, but at the time of sale was not yet incorporated. It is on a paved street but does not have adequate access for development. It is a "flag-shaped" lot with only 19' of frontage on 2900 W and would need to be combined with an adjoining parcel in order to get the 250' of frontage required for development. The agent reports there was good interest in the property as farm ground. Electricity was available at the site, but no other utilities. We measure approximately 2.0 acres of the property to be west of a canal and sloped. We estimate the effective size of the site to be 14.27 acres.

Comparable 4

Location Information

Name	West Payson Land
Address	11000 South 2400 West
City, State, Zip Code	Payson, UT, 84651
County	Utah
MSA	Provo-Orem, UT
APN	29-012-0015

Sale Information

Buyer	Eric Riddle
Seller	Shane W. Hansen
Transaction Date	06/30/2023
Transaction Status	Recorded
Transaction Price	\$787,500
Analysis Price	\$787,500
Recording Number	42813-2023
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	2 Months

Physical Information

Intended Use	Agriculture
Location	Fair/Average
Site Size (Net)	11.65 Acres (507,474 SF)
Site Size (Gross)	11.65 Acres (507,474 SF)
Zoning	A-5-H
Density	One unit per 5 acres
Shape	Irregular
Topography	Flat
Access	Average
Exposure	Average
Corner	No
Utilities	No



West Payson Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$67,597	\$1.55	\$787,500
Net	\$67,597	\$1.55	\$787,500

Confirmation

Name	James Yeates
Company	Colliers
Source	Seller's Broker
Date / Phone Number	06/19/2025 +1 801 310 1094

Remarks

This property is in the annexation holding zone in Payson City. It does not directly front an improved street, but has legal access on a semi-improved driveway that is adequate to split the site into two lots, which is what the buyer intended to do. Power is available to the site, but it will need a well and septic tank. The sale included 20 acre-feet of Strawberry Water.

Comparable 5

Location Information

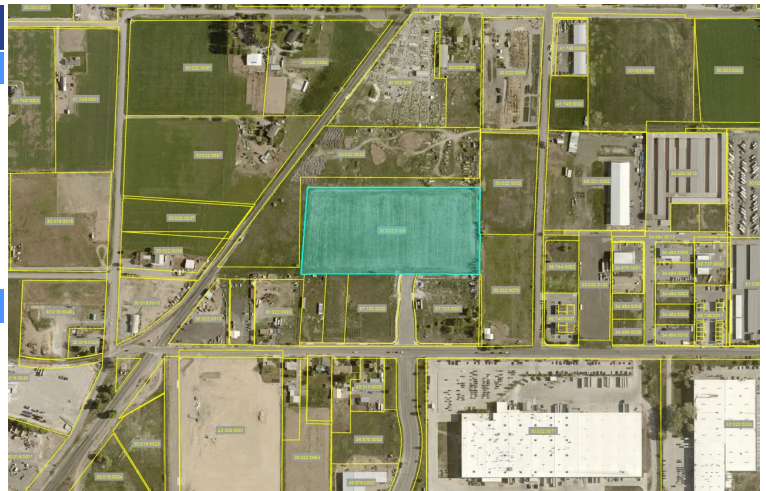
Name	Payson Industrial Land
Address	100 N American Way
City, State, Zip Code	Payson, UT, 84651
County	Uintah
MSA	Provo-Orem, UT
APN	30-022-0022

Sale Information

Buyer	FTJ Development LLC
Seller	Not Disclosed
Transaction Date	03/2/2022
Transaction Status	Recorded
Transaction Price	\$1,140,000
Analysis Price	\$1,140,000
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	11 Months

Physical Information

Intended Use	Industrial Land
Location	Average/Good
Site Size (Net)	9.50 Acres (413,820 SF)
Site Size (Gross)	9.50 Acres (413,820 SF)
Zoning	L-1
Shape	Rectangular
Topography	Level
Access	Fair/Average
Exposure	Average
Corner	No
Utilities	No



Payson Industrial Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$120,000	\$2.75	\$1,140,000
Net	\$120,000	\$2.75	\$1,140,000

Confirmation

Name	Justin Irvine
Company	Colliers
Source	CRMLS
Date / Phone Number	06/20/2025 +1 801 910 0982

Remarks

This property is located in an industrial area of west Payson. Although a road was stubbed to the site, Payson City required the dedication of a road right-of-way across the eastern third of the property as a condition of development approval. In addition, the owner was responsible for contributing to the cost of road construction, which the agent reports was a few hundred thousand dollars. According to the agent, the buyer intended to dedicate the necessary road right-of-way to the city, pay their required share of the road construction cost, and then develop self-storage on the site. As of June 2025, the site is still vacant which is an indication that developing the site may not have been feasible, and that the highest and best use was continued agriculture until adequate access was available to develop the site.

Comparable 6

Location Information

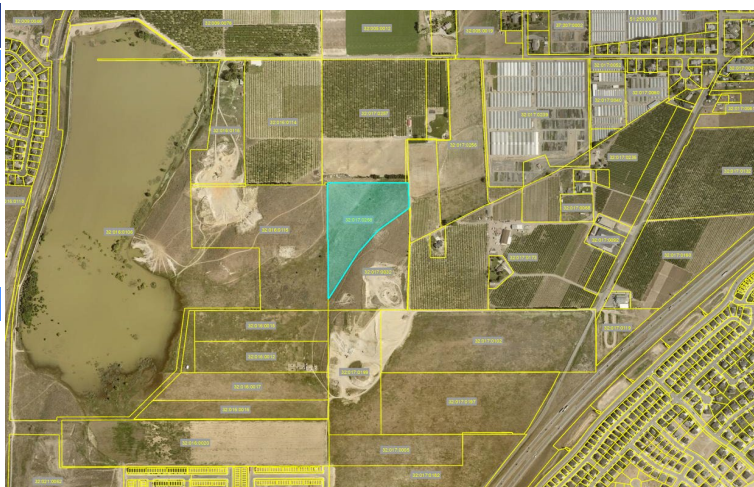
Name	Landlocked Santaquin Land
Address	800 S 900 W
City, State, Zip Code	Santaquin, UT, 84655
County	Uintah
MSA	Provo-Orem, UT
APN	32-017-0012

Sale Information

Buyer	E&K Land Properties LLC
Seller	Terral F. Wall
Transaction Date	07/21/2023
Transaction Status	Recorded
Transaction Price	\$500,000
Analysis Price	\$500,000
Recording Number	1855777
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

Physical Information

Intended Use	Agriculture
Location	Fair
Site Size (Net)	12.50 Acres (544,500 SF)
Site Size (Gross)	12.50 Acres (544,500 SF)
Zoning	RA-5
Shape	Triangular
Topography	Gentle Slope
Access	Fair
Exposure	Average
Corner	No
Utilities	No



Landlocked Santaquin Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$40,000	\$0.92	\$500,000
Net	\$40,000	\$0.92	\$500,000

Confirmation

Name	Kylie Lance
Company	Confidential
Source	Seller's Broker
Date / Phone Number	02/19/2024 +1 801 592 6949

Remarks

This parcel has no access on its own and is not developable. However, the buyer owns the piece adjacent to the west and an adjoining piece to the north that has 240' of frontage on 14400 South. However, the buyer would still need additional frontage in order to meet the 250' of frontage required to develop the parcels. The agent reports the buyer has plans to possibly develop the land in the future, but in the near term is using it as grazing ground.

Land Sales Adjustment Table

Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name	Payson Vacant Land Parcel 51-622-0002	Future Development Land	West Payson Land	Unbuildable Payson Land	West Payson Land	Payson Industrial Land	Landlocked Santaquin Land
Address	744 South 1700 West	1252 South 1950 West	2900 W 790 S	800 S 2900 W	11000 South 2400 West	100 N American Way	800 S 900 W
City	Payson	Payson	Pay	Payson	Payson	Payson	Santaquin
APN	51-622-0002	29-023-0030	29-009-0023	29-013-0031	29-012-0015	30-022-0022	32-017-0012
SF (Usable)	466,954	688,683	4,392,590	621,601	507,474	413,820	544,500
Sale Information							
Date		10/22/2024	7/5/2024	9/18/2023	6/30/2023	3/2/2022	7/21/2023
Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$2,570,000	\$5,535,000	\$695,000	\$787,500	\$1,140,000	\$500,000
Price/SF		\$3.73	\$1.26	\$1.12	\$1.55	\$2.75	\$0.92
Transactional Adjustments							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		-25%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		0%	0%	10%	10%	10%	10%
Subtotal Transactional Adj Price		\$2.80	\$1.26	\$1.23	\$1.71	\$3.03	\$1.01
Property Adjustments							
Location	Average	Average	Fair	Fair	Fair/Average	Average/Good	Fair
<i>Adjustment</i>		0%	50%	50%	20%	-10%	75%
Size	466,954	688,683	4,392,590	621,601	507,474	413,820	544,500
<i>Adjustment</i>		6%	41%	5%	1%	-2%	2%
Access/Utilities	Fair	Average	Average	Fair	Average	Fair/Average	Fair
<i>Adjustment</i>		-10%	-10%	0%	-10%	-5%	0%
Shape	Triangular	Irregular	Rectangular	Narrow	Triangular	Rectangular	Triangular
<i>Adjustment</i>		-10%	-10%	0%	10%	-10%	0%
Site Utility Rating	Average	Average	Average	Average	Average	Average	Fair/Average
<i>Adjustment</i>		0%	0%	0%	0%	0%	5%
Water	Irrigated	Irrigated	Irrigated	Irrigated	Irrigated	Irrigated	Unirrigated
<i>Adjustment</i>		0%	0%	0%	0%	0%	20%
Subtotal Property Adjustment		-14%	71%	55%	21%	-27%	102%
Total Adjusted Price		\$2.41	\$2.15	\$1.91	\$2.07	\$2.22	\$2.04
Statistics	Unadjusted	Adjusted					
Low	\$0.92	\$1.91					
High	\$3.73	\$2.41					
Median	\$1.41	\$2.11					
Average	\$1.89	\$2.13					

¹ Market Conditions Adjustment: 5%

Date of Value (for adjustment calculations): 6/19/25

Land Sales Analysis

Introduction

The comparable land sales indicate an adjusted value range from \$1.91 to \$2.41/SF, with a median of \$2.11/SF and an average of \$2.13/SF. The range of total gross adjustment applied to the comparables was from 37% to 112%, with an average gross adjustment across all comparables of 71%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible opinion of land value. The adjustment process for each comparable land sale is discussed in the following paragraphs.

Property Adjustments

Location

The subject is located in west Payson, in an area transitioning from agricultural use to more intensive development. In this part of the city, how far west a property is located significantly affects its development timeline and thus how much of its price is affected by speculation of future zoning change and development. Properties farther west—beyond current infrastructure and utility service—may not be positioned for rezoning or development for several decades, while parcels closer to existing infrastructure, like the subject, may be viable for development within a much shorter timeframe. Two sets of railroad tracks cross through this area and act as a barrier to extending city utilities and roads to the west. However, the subject lies to the east and north of both sets of tracks, allowing infrastructure to reach the site without needing to cross railroad lines.

Comparables 1 and 5 are similar in this way and are the best location comparisons. However, Comparable 5 is in a developed area and is already zoned for industrial use, so it is adjusted downward. Comparable 4 is located between the two railroad lines and so is in a somewhat inferior location than the subject. Comparables 2 and 3 are located west of both sets of railroad lines. Property values in this area are much lower as city infrastructure is not likely to reach the area for at least 20 to 30 years. These are adjusted upward. Comparable 6 is the best access/utilities comparison, but is in a much inferior location in unincorporated Santaquin; even if access to this property were obtained, its development potential will still be only low density residential of around one unit per acre. It is adjusted upward 75% for location.

Size

In markets where a reasonable supply of vacant development land is available, large parcels typically have a lower value per square foot or per acre than smaller parcels of the same quality. A large parcel generally has a smaller pool of potential buyers. It can have a longer potential absorption period, and may therefore have greater perceived investment risk. Based on an analysis of the sales, we conclude land prices in this market decline about 10% each time the size is doubled. The adjustments are made on that basis.

Access

As previously discussed, the subject property is landlocked and requires securing access from an adjoining parcel, as well as extending road and utility infrastructure approximately 1,400 feet east from American Way. A prospective buyer would apply a discount to reflect the additional cost, risk, and effort involved.

Comparable 3 is similar to the subject in that it doesn't have adequate frontage to build a home on the site and can only be used for agriculture; it would need to be assembled with an adjoining property to get adequate access to develop the site. Comparable 6 is a landlocked parcel like the subject and needs to be assembled with adjoining parcels to gain access for development. Comparable 5 is somewhat similar to the subject in terms of access. In order to develop the site, Payson City required that the owner dedicate a portion of the site for road right of way, and that they pay part of the cost to install the road. However, unlike the subject, city and road infrastructure were already at the site and an adjoining parcel didn't have to be acquired to assemble access. It is adjusted downward 5%.

The remaining parcels have adequate frontage on existing county roads to develop the sites in accordance with agricultural zoning (single family homes on a minimum of five acres, churches, farm buildings, etc.) These are adjusted downward for superior access.

Shape

The subject is triangular in shape, which combined with its size limits the types and functionality of development that can be done on the site. Comparable 3 is quite narrow and is considered relatively similar in this regard. Comparable 4 is triangular like the subject, but more narrow and has a wider piece at the north end. It is adjusted upward for inferior shape. Comparable 6 is a very similar shape as the subject. The remaining comparables are all relatively rectangular in shape and can accommodate a wide range of development more functionally.

Site Utility Rating

The subject and majority of comparables are relatively flat and fully buildable. The exception is Comparable 6 which has some areas that are quite sloped.

Water

The subject and majority of comparable sales are irrigated and included irrigation water shares. Comparable 6 is the exception. It included is dry grazing ground and included no irrigation water shares.

Calculation of Value

The comparable land sales indicate an adjusted value range from \$1.91 to \$2.41/SF, with a median of \$2.11/SF and an average of \$2.13/SF. Based on the results of the preceding analysis, Comparable 1 (\$2.41/SF adjusted), Comparable 3 (\$1.91/SF adjusted) and Comparable 4 (\$2.07/SF adjusted) are given primary consideration for the subject's opinion of land value. Comparable 1 is a recent sale and is the best location comparison. Comparable 3 is the best comparison in terms of access. Comparable 4 is a good location comparison and is a similar shape.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

Calculation of Land Value								
Comp	Analysis	Adjustment				Net	Gross	Overall
	Price	Transactional ¹	Adjusted	Property ²	Final	Adj %	Adj %	Comparison
1	\$3.73	-25%	\$2.80	-14%	\$2.41	-35%	51%	Primary
2	\$1.26	0%	\$1.26	71%	\$2.15	71%	111%	Secondary
3	\$1.12	10%	\$1.23	55%	\$1.91	71%	65%	Primary
4	\$1.55	10%	\$1.71	21%	\$2.07	34%	51%	Primary
5	\$2.75	10%	\$3.03	-27%	\$2.22	-19%	37%	Secondary
6	\$0.92	10%	\$1.01	102%	\$2.04	122%	112%	Secondary
Low	\$1.91					Average		\$2.13
High	\$2.41					Median		\$2.11
Component		SUBJECT SF		\$ /SF Conclusion		Value		
Usable		466,954	x	\$2.05	=	\$960,000		
Unusable		78,844	x	\$0.00	=	-		
Total Larger Parcel		545,798	x	\$1.76	=	\$960,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

Land Value Conclusion

The Sales Comparison Approach was utilized for valuation of the subject site, as it best reflects the decision-making of buyers and sellers of development land in the local marketplace. The purpose of this appraisal is to develop an opinion of the Fair Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

Analysis of Value Conclusions	
Valuation Indices	As-Is Fair Market Value
Interest Appraised	Fee Simple
Date of Value	June 19, 2025
Final Value Conclusion	\$960,000
\$/SF	\$1.76

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report has 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.
- Jake Jorgensen has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Kelly Tate, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Jake Jorgensen personally inspected the property that is the subject of this report. Kelly Tate, MAI did not personally inspect the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraisers signing this certification.
- 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 Kelly Tate, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Jake Jorgensen
Valuation Associate
Certified Residential Real Estate Appraiser
State of Utah License #7338339-CR00
+1 801 441 1202
jake.jorgensen@colliers.com

June 26, 2025

Date



Kelly Tate, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Utah License #8384882-CG00
+1 385 249 5444
kelly.tate@colliers.com

June 26, 2025

Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Professional Service Agreement



6440 South Millrock Drive, Suite 570
Salt Lake City, UT 84121
Direct: +1 385 249 5444
www.colliers.com/valuationadvisory

May 22, 2025

Kelly Tate, MAI
Senior Valuation Services Director
Direct: +1 385 249 5444
kelly.tate@colliers.com

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue
Payson, Utah 84651
O: 801.465.5235
travisj@paysonutah.gov

RE: Payson City Corridor Appraisals

Dear Travis:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below-stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT **("Agreement")**

Project	Payson City Corridor ROW ("Property")
Location	744 S 1700 West Payson, UT 84651 & 594 S 2400 West Payson, UT 84651
Project Description	Utah County Parcel #51:622:0002 in its entirety and the southern 60-feet or so of Utah County Parcel #29:010:0029
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Mountainlands Association of Governments (MAG) (herein at times referred to as "Client")
Intended User	The intended users are Mountainlands Association of Governments (MAG), and Payson City to provide funds to the landowners to preserve future corridors. It should be noted that if this engagement is directly with the owner of the Property, the Appraisal will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended to assist to negotiate purchase for future road right of way. The report is not intended for any other use.
Purpose	Market Value

Professional Service Agreement

Continued

Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple
Date of Value	Date of inspection
Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.</p> <p>Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none"> › As-Is Market Value <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> › Land Value – Sales Comparison Approach and ROW Analysis <p>An observation of the subject property will be performed.</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	Four and a Half (4.5) weeks
Professional Fee	\$3,200 Each or \$6,400 Total
Expenses	Fees include all associated expenses
No. of Reports	<p>One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	<p>A 50% retainer is required.</p> <p><u>To Pay By Check:</u> Please remit all payments to Colliers International Valuation & Advisory Services 26791 Network Place Chicago, IL 60673-1267 **Please include the property name or address on the memo line**</p> <p><u>Wire Instructions:</u> JP Morgan Chase Bank, NA Chicago, IL 70-2322/719 Account Name: Colliers International Valuation & Advisory Services, LLC Account No. 899559074 ABA No. 021000021 ACH Payment Transit Routing Number: 071000013 Swift code for International Wires ONLY: CHASUS33 **Please include the property name or address in addenda/memo payment information**</p> <p>Please send notification to CIVASAccounting@colliers.com when payment has been sent.</p>
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety (Less Retainer) at the delivery of the draft report. When a full retainer has been paid, invoice and amount due are \$0.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Professional Service Agreement

Continued

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- › Ownership history (purchase date and price)
- › Copy of the purchase agreement (if under contract for sale)
- › Copy of previous appraisal (if available)
- › Legal description (if available)
- › Any other information deemed pertinent to the appraisal
- › Property Contact _____

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language – Non-Lender Client

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Travis Jockumsen**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.



_____ Date: 5/22/2025

Travis Jockumsen
Payson City

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Kelly Tate, MAI
Senior Valuation Services Director
Direct: +1 385 249 5444
kelly.tate@colliers.com

Terms and Conditions

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

Professional Service Agreement

Continued

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party.
LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
- 22) Client and its affiliates, rating agencies and a limited number of investors involved in the securitization, may use and rely upon CIVAS report in connection with a planned loan securitization involving the Property including, without limitation, utilizing selected information in the Appraisal in the offering documents relating to the securitization and CIVAS agrees to cooperate in answering reasonable questions by any of the above parties in connection with the securitization.

Client agrees that it will not file, use, or permit or cause to be used in any offering documents or any other document any portion or extract of the Appraisal, or any reference to the Appraisal, without first (i) having provided the portion or portions of an offering document or other document to CIVAS for review and (ii) having obtained the prior written consent of CIVAS to any such filing, use, amendment or modification, which consent shall not be unreasonably withheld. CIVAS shall have the right to require Client to include in any offering document or other document disclosure concerning the conditions, qualifications and assumptions of the appraisal and such other disclosure concerning the Appraisal as CIVAS shall reasonably require.

Client can use the appraised value without attribution to the Appraisal, and selected information in the Appraisal, provided Client agrees that it has complied and at all times will comply, and will use Client's best efforts to cause any underwriters to comply, with all applicable Federal and state securities laws in connection with any offering, and offering document and any use of the Appraisal. Client further agrees that neither any offering document nor any other document used in connection with any offering will contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading regarding the Appraisal, or any portion or extract thereof, or any reference to the Appraisal.

Valuation Glossary 2024

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2024 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(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 and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (*Dictionary*)

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (*USPAP*)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (*USPAP*)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. (*Dictionary*)

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

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

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of

an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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 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. (12 CFR, Part 34, Subpart C - Appraisals, 34.42(h)).

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for

structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease, or fully net lease*. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

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

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(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 or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. (*Dictionary*)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (*Dictionary*)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (*Dictionary*)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (*Dictionary*)

Useful Life

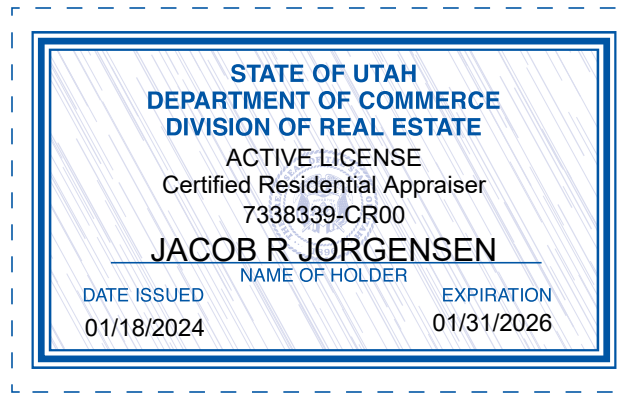
The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (*Dictionary*)

Vacancy and Collection Loss

A deduction from potential gross income (*PGI*) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (*Dictionary*)

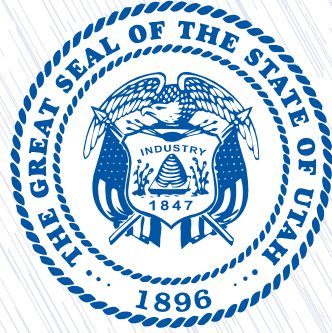

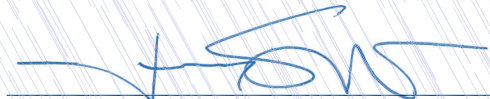
Yield Capitalization

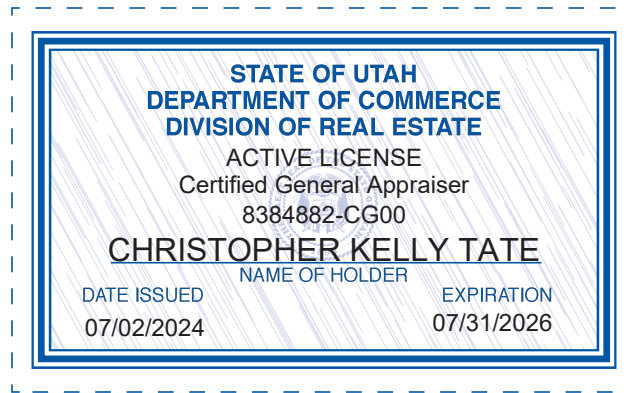
A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (*Dictionary*)



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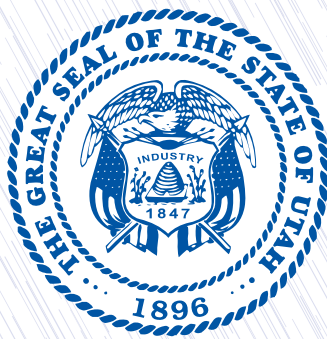
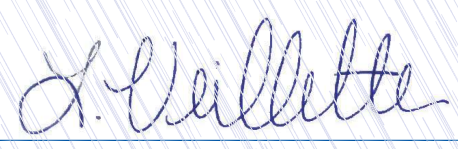


STATE OF UTAH	
DEPARTMENT OF COMMERCE	
DIVISION OF REAL ESTATE	
ACTIVE LICENSE	
DATE ISSUED:	01/18/2024
EXPIRATION DATE:	01/31/2026
LICENSE NUMBER:	7338339-CR00
LICENSE TYPE:	Certified Residential Appraiser
ISSUED TO:	JACOB R JORGENSEN 10883 SADDLEBROOKE CIR SOUTH JORDAN UT 84095
	
	
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STATE OF UTAH	
DEPARTMENT OF COMMERCE	
DIVISION OF REAL ESTATE	
ACTIVE LICENSE	
DATE ISSUED:	07/02/2024
EXPIRATION DATE:	07/31/2026
LICENSE NUMBER:	8384882-CG00
LICENSE TYPE:	Certified General Appraiser
ISSUED TO:	CHRISTOPHER KELLY TATE 7427 S MAGIC HILLS CR COTTONWOOD HEIGHTS UT 84121
	
	
SIGNATURE OF HOLDER	REAL ESTATE DIVISION INTERIM DIRECTOR



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Education or Qualifications

Bachelor of Science – Utah
Valley University, 2013

State Certifications

Utah
California

Area of Expertise

Jake Jorgensen joined Colliers Valuation & Advisory Services in 2024 and is current a Valuation Associate. He began his career in 2009 as an appraiser trainee at Jorgensen Appraisal, and received his appraisal license in 2013. During this time he completed appraisals, feasibility studies and market studies on a wide range of property types including vacant land, subdivisions, senior care, office buildings, golf courses and retail centers. In 2017, he moved to Los Angeles and began working independently as a residential appraiser, during which time he received his certified residential license. In 2024, he returned to Utah and the commercial appraisal field. He has since completed assignments for a variety of intended uses, including conservation easements, eminent domain, title disputes and litigation. He specializes in residential properties and vacant land.

Professional Background

Jorgensen Appraisal (UT), 2009-2017
Self Employed (CA), 2017-2024
Colliers Valuation & Advisory Services (UT),
2025-Present

Appraisal Courses

- General Appraiser Sales Comparison Approach
- General Appraiser Market Analysis & Highest & Best Use
- General Appraiser Site Valuation & Cost Approach
- General Appraiser Report Writing & Case Studies
- General Appraiser Income Approach
- Advanced Residential Applications and Case Studies
- Complex Properties: The Odd Side Of Appraisal
- Statistics, Modeling & Finance
- Advanced Concepts & Case Studies
- USPAP 2024-2025



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Kelly Tate, MAI

Area of Expertise

Kelly Tate joined Colliers International Valuation & Advisory Services in 2014. After working as a loan officer, Kelly began his career as a commercial real estate appraiser in 2008 working in the Las Vegas market. In 2012, Kelly returned to Salt Lake City to further his career in the industry. He has experience appraising many different property types including retail, office, industrial, apartments, senior housing, residential subdivisions, and condominiums.

Kelly received his MAI designation in 2013.

Affiliations or Memberships

MAI, Appraisal Institute, # 507024
Utah Chapter of the Appraisal Institute

Professional Background

Colliers International (UT), 2014 – Present
Appraisal Group Inc. (UT), 2012 – 2014
Lubawy & Associates (NV), 2008 - 2012

Education or Qualifications

Bachelor of Science – University
of Utah, 2004

State Certifications

Idaho
Montana
Utah

The Colliers logo is located in the top right corner. It consists of the word "Colliers" in a white serif font, set against a dark blue rectangular background. Below the text are three horizontal lines in yellow, red, and blue.

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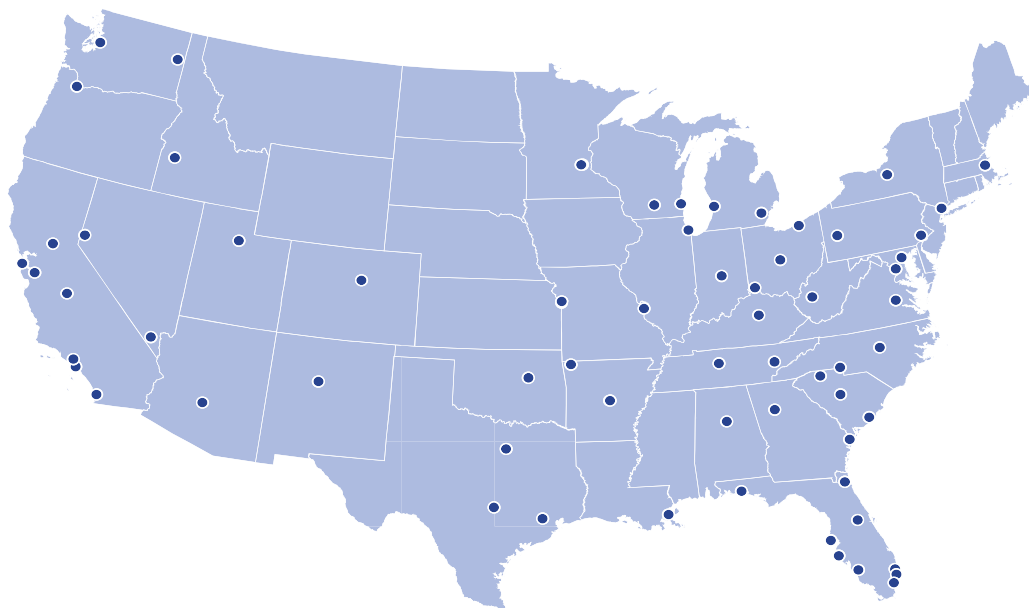
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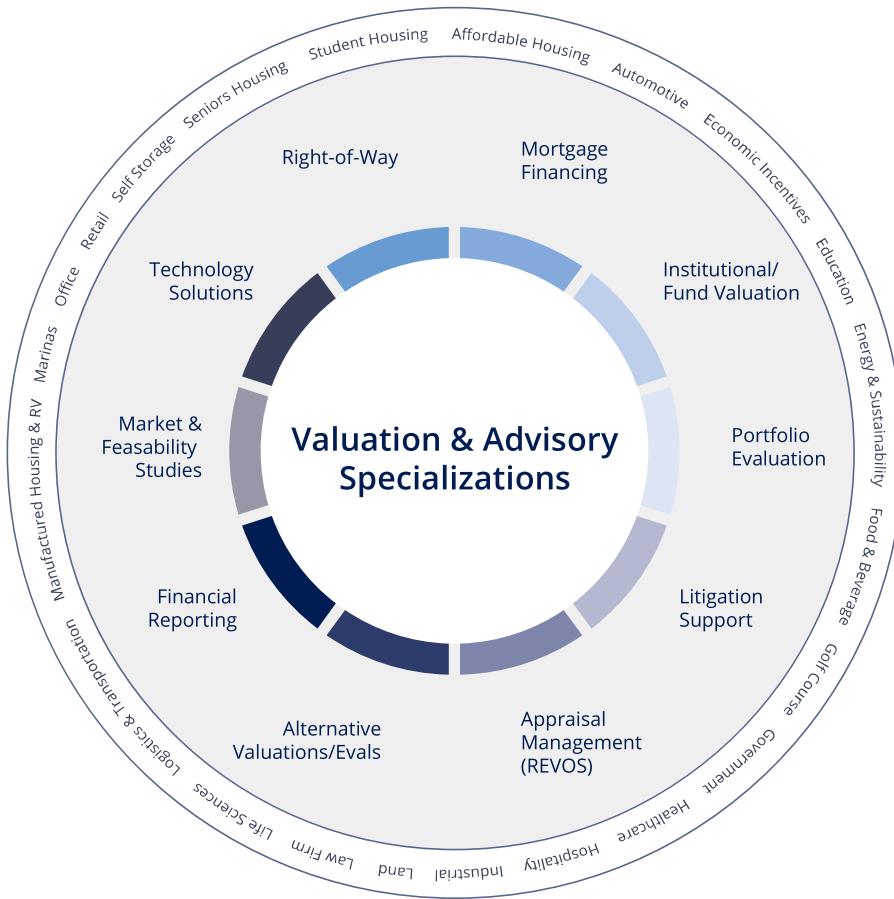
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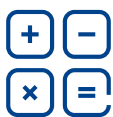


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assignments completed annually



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in 66 countries.



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Building Council



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more than any other
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Ranked in the top 3
most recognized
global commercial real
estate brands by The
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Local Corridor Preservation Fund

Application for Funds

Due to the limited amount of funds available, jurisdictions are strongly encouraged to exhaust other avenues for acquisition prior to applying.

Before consideration of awarding funds can occur, the following must be completed and submitted with this application:

- 1) Documentation by applicant of prior use of all appropriate resources available to the highway authority to acquire property rights, including but not limited to: use of other local funds, exactions, increased setback requirements, or other planning and zoning tools.
- 2) Initial approach to property owner and obtaining a certified property appraisal.
- 3) Securing of a Willing Seller Certification document.

Part 1: Use of Other Resources

Discuss with MAG staff the efforts to obtain the property by planning and zoning powers, development incentive, donation, or other means prior to applying for these funds. Document these efforts. MAG will convene a staff review of the application and documentation, flag any concerns or questions, and may request meetings with the applicant in order to resolve such, or to better understand the nature of the situation. Staff review should include CP/ROW, RTP, and Finance staff members.

Part 2: Initial Approach to Property Owner

Contact MAG staff prior to any discussions with the property owner of purchase price or commitments to purchase, and for any questions.

DO NOT tender any offer to purchase the property interest at this time.

If the property owner agrees to consider selling, the applicant orders a property appraisal from a certified appraiser that is acceptable to both parties. For properties intended for future use by UDOT, the appraiser should be listed on the current UDOT Consultant Services Right of Way Services and Local Government Pool. Copy and paste the following link into your browser:

<https://docs.google.com/spreadsheets/d/1UURcMt7UvhIkYqADHdApr5KGxXTdeD93WLwRKu8FV14/edit#gid=922750991>

The costs of the appraisal can be reimbursed to the applicant if the funding request is approved.

Part 3: Application

1. Applicant (city, Utah County, UDOT):
2. Contact Information:
3. Provide information about the properties to be acquired:
 - a. Name of the current owner(s):
 - b. Address or location of the properties:
 - c. Utah County parcel serial #:
 - d. Type of real property interest to be acquired: (fee title, easement, etc.,)
 - e. Total acreage or square footage:
 - f. Describe the efforts to obtain the property by planning and zoning powers, development incentive, donation, or other means prior to applying for these funds.
 - g. Appraised value (Attach copy of appraisal report):
 - h. Total estimated costs of acquisition, including appraisal and appraisal review, acquisition agent fee, closing costs, and any other associated fees:
 - i. Total funds applying for - these should be no more than the appraised value plus traditional costs of acquisition in (h) above:
4. Which Eligible Corridor is the project located within or adjacent to? (see Corridor Preservation – Eligible Corridors map):
5. Anticipated year or RTP phase to begin project roadway construction:
6. Is the project listed on the applicant's official master plan?
7. Has the applicant begun or completed a relevant state or federal environmental study?
 - a. Study results:
 - b. If not, is the applicant willing to conduct such a study?
8. Will the roadway be a UDOT or a local government facility?

If the project will be a state facility and the applicant is a city or county, attach copies of:

Either

- a. Applicant's transportation right of way acquisition policy or ordinance.
- b. Applicant's access management policy relevant to the type of roadway to be constructed.

OR

- c. The executed Cooperative Agreement between the applicant and the Utah Department of Transportation governing right of way acquisition performed by the applicant for UDOT.

NOTES – 1) It is highly recommended that any purchases for a state facility be negotiated and finalized by UDOT Right of Way Division. 2) After funds are awarded but prior to any offer of purchase, UDOT and Utah County must execute a repurchase agreement specific to the property.

9. Attachments:

- c. One 8" x 11" map in PDF form clearly indicating the future roadway project extents and the location of the properties to be acquired, with detail showing parcel boundaries and anticipated right of way footprint (will be used in presentations to the TAC and the Board).
- d. Copy of appraisal report.
- e. Copy of executed Willing Seller Certification.

Submit the completed application and maps to by email to Calvin Clark - cclark@mountainland.org

VOLUNTARY ACQUISITION Certification

Owner Name: Martinez, Iram G (ET AL)

Utah County Parcel ID#: 29.010.0029

Payson City is interested in acquiring property at
594 S 2400 W, Payson, UT 84651 (address) for the future
800 South project.

Although Payson City possesses eminent domain authority to acquire property, we are not pursuing this acquisition by eminent domain or other coercion, and you hereby certify that you are only selling this property to us voluntarily for the agreed upon amount.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition, are **not** eligible for relocation assistance. Property Owner understands and acknowledges that if they waited for the funded project, they would be eligible for relocation benefits pursuant to 49 CFR 24. By signing below, the Property Owner understands and acknowledges that they are not entitled to any relocation benefits for the voluntary purchase of the property in advance of a funded project and freely chooses to sell the property to Payson City before the project is funded.

Iram Martinez
Signature of Property Owner

04/30/2025
Date

[Signature]
Purchasing Entity Representative

04/29/2025
Date



Corridor Preservation Parcel 29-010-0029

594 South 2400 West
Payson, Utah 84651

APPRAISAL REPORT

Date of Report: July 9, 2025
Colliers File Number: SLC250331

Prepared for

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue
Payson, UT 84651

Letter of Transmittal



July 9, 2025

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue
Payson, UT 84651

RE: Corridor Preservation Parcel 29-010-0029

594 South 2400 West
Payson, Utah 84651

Colliers File #: SLC250331

Mr. Jockumsen:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Payson City and Colliers Valuation & Advisory Services.

The date of this report is July 9, 2025. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Fair Market Value of a partial fee taking to be acquired by Payson City. The intended use of this appraisal is to assist the client in negotiating the purchase of a partial acquisition of the subject property for future road right-of-way purposes. The effective date is June 19, 2025, which is the date of our inspection of the property. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

Property Information

The larger parcel is a 5.5506-acre site located along a paved county road in western Payson, Utah. While the road provides legal and physical access to the site, it is a county-maintained roadway and does not meet Payson City standards for urban development. The road would require future dedication, widening, and utility extension before the property could be rezoned and developed to a more intensive use.

The larger parcel is improved with a single family home totaling 2,816 SF of GBA according to the county assessor. The improvements were built in 1973, are in average condition and have a remaining economic life of 25 years based on our estimate. Our analysis identifies no permanent severance damages to the property and we have therefore valued the land only in this analysis.

The property is located in an area that has historically been used for agriculture, consistent with the surrounding area. According to the Utah Division of Water Rights, water right 51-8826 is associated with the larger parcel. This right, which allows for 0.5 acre-feet of underground water from a well drilled in 1934, is not evaluated in this report.

It is currently zoned A-5-H (Annexation Holding Zone), which allows for agricultural and limited residential uses, and is intended to preserve land for potential future development in alignment with the city's general plan. This area of west Payson is experiencing ongoing growth, with increasing interest from developers and gradual expansion of infrastructure. As a result, it has become one of the more active parts of the city for new residential, commercial, and

industrial development. Land values in the A-5-H zone can be speculative, as pricing often reflects expectations around future rezoning, utility extension, and access improvements. Buyers frequently consider the potential for higher-density development when evaluating properties in this transitional area.

The area west of the Union Pacific railroad tracks, where the subject is located, is not expected to undergo significant development for at least five to ten years due to its relative distance from established infrastructure and the physical barrier created by the rail corridor. The highest and best use of the site, as vacant, is rural residential and/or agricultural use in accordance with current zoning, with potential speculative value tied to long-term development.

Project Information

At the time of this appraisal, Payson City's road project affecting the subject's larger parcel remains conceptual and unplanned. The project is not identified in the City's current Transportation Master Plan, and no engineering designs, alignment studies, or construction timelines have been prepared. The purpose of this assignment is limited to corridor preservation, and the only information provided by the City is that the area to be acquired consists of the southern 60 feet of the parcel. Based on the City's long-range plans, other roadways in this area are not projected for development until the 2031–2050 horizon, indicating that actual construction could be as far as 20 to 25 years in the future. As such, the proposed partial taking has no immediate effect on the site's physical functionality or near-term marketability, and the road's eventual location, design, and timing remain uncertain.

No exhibit of the proposed partial fee taking was provided in connection with this assignment, and according to Payson City, no such exhibit exists yet. At the time of this appraisal, no survey or legal description of the proposed partial fee acquisition has been provided. Without a legal description or survey, our analysis assumes a uniform 60-foot-wide strip extending along the full southern boundary of the property. Our estimated size of the partial taking area is based on multiplying the parcel plat's reported width of 469.51 feet and multiplying it by 60 feet, which totals 28,171 square feet. Any deviation from this assumption could impact the final valuation and conclusions of this report. It is an extraordinary assumption of this report that our estimated size of the partial taking area is accurate and sufficient in size, shape and utility for its intended use. The exhibit below shows our estimate of the approximate location of the proposed fee taking, which is highlighted in red.

In the after condition, the subject site is reduced from 241,784 to 213,613, or 11.7% smaller than in the before condition. While the remainder parcel will fall slightly below the five-acre minimum lot size required by the A-5-H zone, we assume it will retain its legal conforming or legal nonconforming status for rural residential use. As such, the partial acquisition does not alter the site's highest and best use. The site is commensurate with other similar rural residential/agricultural properties with average/fair access and average/fair exposure. In the after condition, the site will have no change in frontage, and no measurable benefit or impairment is anticipated, as the road corridor is being preserved for potential future use, but no improvements are currently planned, designed, or scheduled for construction in the foreseeable future.

In order for severance damages to apply, the partial acquisition must result in a measurable loss in the market value of the remainder property—such as a reduction in access, utility, functionality, or a change in its highest and best use. Similarly, for special benefits to be recognized, they must be direct, physical, proximate, and reasonably certain to occur, resulting in a demonstrable increase in value to the remainder. In this case, the remainder parcel will retain similar access, topography, and utility as in the before condition, with no impairment to its continued use as rural residential and agricultural land in accordance with A-5-H zoning. Based on these conditions and applicable valuation standards, we conclude that the partial acquisition does not result in any severance damages or special benefits to the remainder parcel in the after condition.

The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

LAND VALUATION SUMMARY

	VALUE OPINIONS	VALUE OF PROPERTY RIGHTS
Value of the Larger Parcel	\$604,460	
Fee Taking (inc. Site Imp.)	(\$70,428)	\$70,428
Perpetual Easement	\$0	\$0
Value of the Remainder as a Part of the Whole	\$534,033	
Value of the Remainder in the After Condition	\$534,033	
Incurable Severance Damages	\$0	
Cost to Cure	(\$5,265)	
Project Benefits	\$0	
Net Severance Damages	(\$5,265)	\$5,265
Temporary Construction Easement (TCE)	\$0	\$0
TOTAL FAIR MARKET VALUE OF PROPOSED PROPERTY AND RIGHTS TAKEN (ROUNDED)		\$75,700

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. USPAP defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". USPAP defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

Extraordinary Assumptions

- This appraisal is based on the extraordinary assumption that estimated size of the fee acquisition area is accurate. No legal description was provided for the proposed fee taking, nor were we provided with a survey or site-specific maps with easement dimensions. If these assumptions prove to be inaccurate, the opinions of value stated herein may require revision
- We also assume that the locations of the perpetual and construction easements are as described later in this report. If this assumption proves to be inaccurate, the opinions of value stated herein may require revision.
- We assume that the remainder parcel will retain its legal status and buildability under current zoning despite being reduced below the five-acre minimum lot size due to the public acquisition.

Hypothetical Conditions

- This Appraisal Report is not contingent on any hypothetical conditions.

Reliance Language

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our

consent to allow the Appraisal prepared by Colliers Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers Valuation & Advisory Services, by a party satisfactory to Colliers Valuation & Advisory Services. Colliers Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

Colliers Valuation & Advisory Services



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Letter of Transmittal

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Certification

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Executive Summary

General Information

Property Name	Corridor Preservation Parcel 29-010-0029
Property Type	Land - Agricultural Land
Address	594 South 2400 West
City	Payson
State	Utah
Zip Code	84651
County	Utah
Core Based Statistical Area (CBSA)	Provo-Orem, UT
Market	Utah County
Submarket	Payson
Latitude	40.034480
Longitude	-111.778510
Number Of Parcels	1
Assessor Parcel	29-010-0029
Total Taxable Value	\$112,117
Census Tract Number	105.04

Larger Parcel - Site Information

Land Area - Larger Parcel	Acres	Square Feet
Usable	5.55	241,784
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	5.55	241,784
Land Area - The Parts Taken	Acres	Square Feet
Fee Taking	0.647	28,171
Topography	Level at street grade	
Shape	Generally Rectangular	
Access	Fair/Average	
Exposure	Fair/Average	
Current Zoning	Annexation Holding Zone (A-5-H)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	High Risk	

Improvement Information

Description	Single Family Home w/ Attached Garage
Gross Building Area SF (GBA)	2,816 SF
Floor Plate SF	1,408 SF

LAND VALUATION SUMMARY

	VALUE OPINIONS	VALUE OF PROPERTY RIGHTS
Value of the Larger Parcel	\$604,460	
Fee Taking (inc. Site Imp.)	(\$70,428)	\$70,428
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Project Benefits	\$0	
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Temporary Construction Easement (TCE)	\$0	\$0
TOTAL FAIR MARKET VALUE OF PROPOSED PROPERTY AND RIGHTS TAKEN (ROUNDED)		\$75,700



Subject Property Photographs



View Northwest From Subject's Southeast Corner



View North From Subject's Southwest Corner



View Southwest From Subject's Northeast Corner



View Southeast from Subject's Northwest Corner



Home Improvements



Driveway



View South on 2400 West (Subject on the Right)



View North on 2400 West (Subject on the Left)

Property Identification

The subject's larger parcel is located at 594 South 2400 West in Payson, Utah County, Utah. We have determined the subject's larger parcel to be all of parcel 29-010-0029, which is owned by Iram G. Martinez. The larger parcel measures 5.55-acres (241,784 square feet) in size.

The subject property is located in an area historically characterized by agricultural use. While direct contact with the property owner was not established, the physical condition of the site and surrounding land uses suggest the property has likely been used for agricultural purposes. According to the Utah Division of Water Rights, water right 51-8826 is associated with the larger parcel. This right pertains to an underground well drilled in 1934 with an allocation of 0.5 acre-feet. The water right is noted for reference but is not evaluated as part of this appraisal.

The property is zoned A-5-H (Annexation Holding Zone), which allows agricultural and limited residential uses and is intended to preserve the land for potential future urban development in alignment with the City's general plan. The subject property has legal access from an improved public street; however, this street is a county road that lacks sufficient width and does not provide municipal utilities. The existing access is adequate to support residential development consistent with the A-5 zoning district, which requires a minimum five-acre lot size. However, it does not meet the access or utility standards necessary to be rezoned for more intensive development or higher-density uses.

The legal description of the subject's larger parcel is as follows:

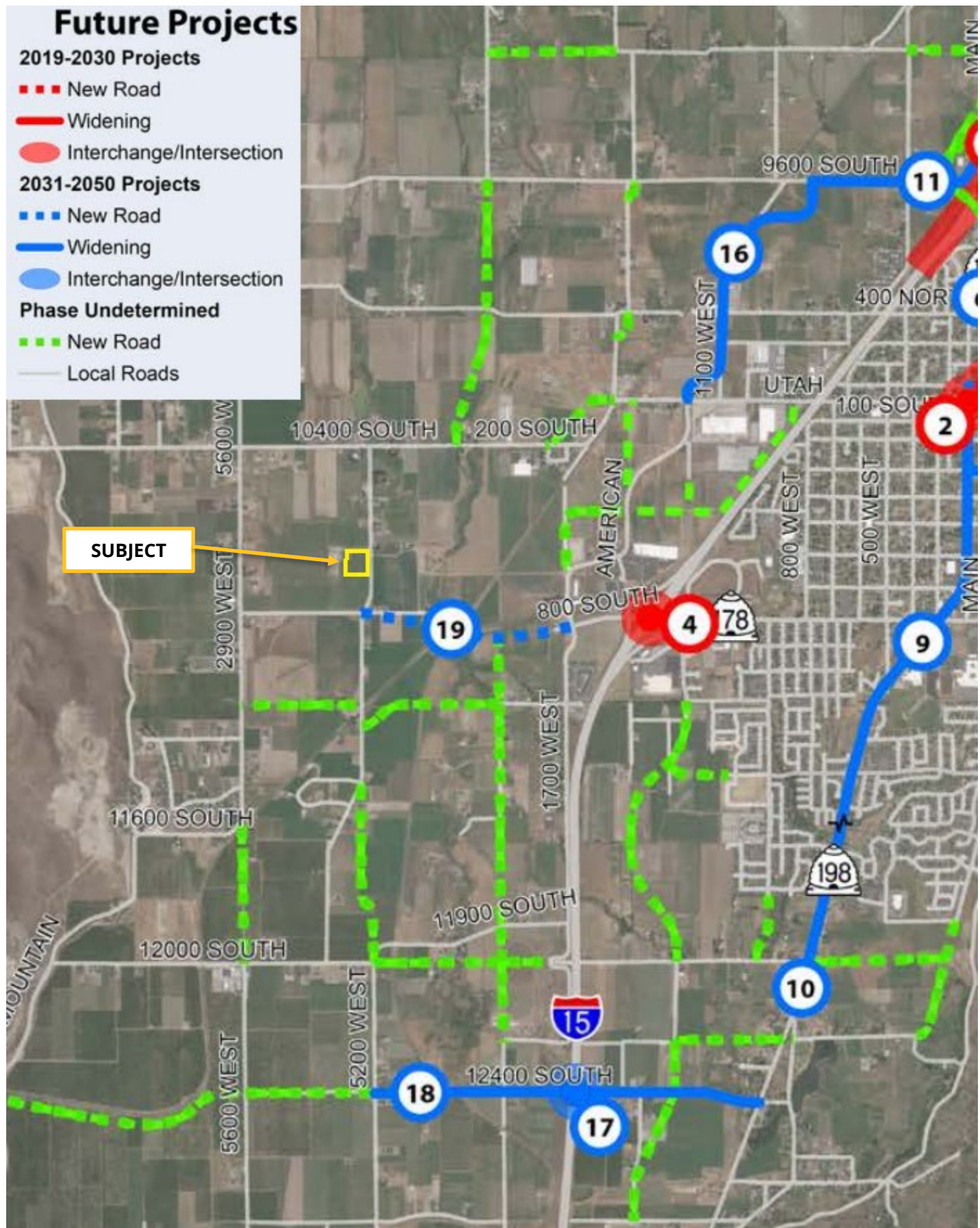
COM S 2135.99 FT & E 22.58 FT FR N 1/4 COR. SEC. 13, T9S, R1E, SLB&M.; W 452.51 FT; S 122.48 FT; S 87 DEG 18' 0" W 17.02 FT; S 396.14 FT; E 469.51 FT; N 519.42 FT TO BEG. AREA 5.551 AC.

Project Description

A future road corridor is planned to cross the southern portion of the subject's larger parcel as part of Payson City's long-range transportation infrastructure. The project impacting the subject is not yet illustrated on the Payson Transportation Master Plan.

At the time of this appraisal, Payson City's road project affecting the subject's larger parcel remains conceptual and unplanned. The project is not identified in the City's current Transportation Master Plan, and no engineering designs, alignment studies, or construction timelines have been prepared. The purpose of this assignment is limited to corridor preservation, and the only information provided by the City is that the area to be acquired consists of the southern 60 feet of the parcel. Based on the City's long-range plans, other roadways in this area are not projected for development until the 2031–2050 horizon, indicating that actual construction could be as far as 25 years in the future. As such, the proposed partial taking has no immediate effect on the site's physical functionality or near-term marketability, and the road's eventual location, design, and timing remain uncertain.

The exhibit below is taken from the Payson Transportation Master Plan. It shows the subject's larger parcel as being just north of "Project #19" which will extend 800 South eastward from 1700 West and will ultimately connect to 2400 West about 750 feet south of the subject's larger parcel. The Master Plan designates this project as part of Phase 2, which is anticipated to occur between 2031 and 2050.



Identification of Appraisal Assignment

Client Identification

The client of this specific assignment is Payson City.

Purpose

The purpose of this appraisal is to develop an opinion of the As-Is Fair Market Value of a partial fee taking to be acquired by Payson City.

Intended Use

The intended use of this appraisal is to assist the client in negotiating the purchase of a partial acquisition of the subject property for future road right-of-way purposes.

Intended Users

Intended users of this report include Payson City and Mountainlands Association of Governments (MAG). Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

Assignment Dates

Date of Report	July 9, 2025
Date of Inspection	June 19, 2025
Valuation Date - As-Is	June 19, 2025

Personal Intangible Property

No personal property or intangible items are included in this valuation.

Property and Sales History

Current Owner

The subject title is currently recorded in the name of Iram G Martinez, who acquired title to the property on April 19, 2019 as improved, as recorded in the Utah County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

Definitions

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

Definitions of Value

Given the scope and intended use of this assignment, the following definition of value is applicable:

Fair Market Value

The definition of fair market value, as used in this report, is "...the amount at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."¹

Property Rights Appraised

The property rights appraised constitute the fee simple interest.

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.²

Value Scenarios

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.³

¹ Utah Code, Title 59-2-102(12)

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

Introduction

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site.
- The appraisers completed a land market analysis that included market and sub-market overviews. The Utah County market and Payson sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site.
- The appraisers confirmed and analyzed financial features of the subject property including potential entitlement issues, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison Approach to value, which was adjusted and reconciled as appropriate. The appraisal develops an opinion of the Fair Market Value of a partial fee taking to be acquired by Payson City.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- No one provided significant real property appraisal assistance to appraisers signing this certification.

Sources of Information

The following sources were contacted to obtain relevant information:

Sources of Information

Item	Source
Tax Information	Utah County Tax Assessor
Zoning Information	City of Payson Zoning Code
Site Size Information	Utah County Tax Assessor
Building Size Information	Utah County Tax Assessor
New Construction	City of Payson / Utah County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from RealQuest
Other Property Data	Utah County Property Records

Subject Property Inspection

Subject Property Inspection

Appraiser	Inspected	Extent	Date of Inspection
Jake Jorgensen	Yes	Site Only	June 19, 2025
Kelly Tate, MAI	No	-	-



Introduction

The Provo-Orem Metropolitan Statistical Area is comprised of Utah and Juab Counties. Seven counties as well as the State of Nevada border the Provo-Orem MSA. The MSA is located in north central Utah and is anchored by the cities of Provo and Orem.

The geography of the Provo-Orem MSA includes arid desert, lakes, and high-mountain peaks. Elevations within the area range from around 4,300 feet at the valley floor to nearly 12,000 feet above sea level in the Wasatch Mountains. Orem and Provo are located in the northern portion of Utah County at the base of the Wasatch Mountains on the east.

The Utah Lake, which is located to the west of the cities of Provo and Orem in Utah County, is the largest fresh-water lake in the state. The lake drains via the Jordan River at its north end into the Great Salt Lake. The Jordan River is a 60-mile-long river that receives the water of many streams flowing down from the Wasatch Range.

The majority of the population of Utah County lies in cities found along Interstate 15 which runs north-to-south just west of Orem and Provo and other smaller communities. This freeway provides access to Arizona to the south and Idaho to the north. The Salt Lake City International Airport is the nearest large airport; however, the Provo Municipal Airport, located in Provo, is used extensively for private flight training and is home to the Utah Valley University flight school. The city of Nephi, in Juab County, also has a municipal airport.



Provo and Orem's mass transit service is operated by the Utah Transit Authority (UTA) and includes a bus system, which connects commuters to local services as well as the greater Salt Lake City region. UTA's commuter rail service, FrontRunner, was extended to Provo from Salt Lake City in 2012. Amtrak, a national passenger rail system, provides service to Provo station, operating its California Zephyr daily in both directions between Chicago, Illinois and Emeryville, California. Provo is also serviced by Greyhound Bus Lines.

Provo is the economic and demographic center of the Provo-Orem MSA and the third-largest city in Utah according to the 2008 U.S. Census Bureau. Provo is the county seat of Utah County. It was first settled in 1849 by 33 Mormon families from Salt Lake City.

The residents of Provo are predominantly (88.0%) members of The Church of Jesus Christ of Latter-day Saints. The large population of students that attend Brigham Young University and Utah Valley University make Provo and Orem "college towns". Provo is also home to The Church of Jesus Christ of Latter-days Saints' largest Missionary Training Center. Each week some 475 missionaries enter for 2 to 12 weeks of training before they depart for the mission field. Orem, the sixth-largest city in the state, is adjacent to the north of Provo City and is located approximately 45 miles south of Salt Lake City. Orem was incorporated in 1919 and is home to Utah Valley University.

Today the area's major industries are government, trade, transportation, utilities, and professional and business services. Provo is home to international companies including Nature's Sunshine Products, Novell, and Nu Skin Enterprises.

Demographic Analysis

The following is a demographic study of the region sourced by *Esri ArcGIS®*, an online resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty

necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Esri ArcGIS®, a Geographic Information System (GIS) Company, the Provo-Orem-Lehi metropolitan area had a 2024 population of 749,524 and experienced an annual growth rate of 2.7%, which was higher than the Utah annual growth rate of 1.6%. The metropolitan area accounted for 21.4% of the total Utah population (3,506,694). Within the metropolitan area the population density was 138.9 people per square mile compared to the lower Utah population density of 42.5 people per square mile and the lower United States population density of 95.8 people per square mile.

POPULATION			
YEAR	US	UT	CBSA
2020 Population	331,839,624	3,284,843	674,930
2024 Population	338,440,954	3,506,694	749,524
2029 Population	344,873,411	3,719,346	823,415
2020-2024 CAGR	0.5%	1.6%	2.7%
2024-2029 CAGR	0.4%	1.2%	1.9%

Source: Esri ArcGIS®

POPULATION DENSITY			
YEAR	US	UT	CBSA
2024 Per Square Mile	95.8	42.5	138.9
2029 Per Square Mile	97.6	45.0	152.6

Source: Esri ArcGIS®

The 2024 median age for the metropolitan area was 27.4, which was 43.9% younger than the United States median age of 39.3 for 2024. The median age in the metropolitan area is anticipated to grow by 0.86% annually, increasing the median age to 28.6 by 2029.

Education

The Provo-Orem MSA has two universities, Brigham Young University and Utah Valley University. Brigham Young University (BYU) is a private research institution located in Provo, owned and operated by the Church of Jesus Christ of Latter-day Saints. BYU has an endowment of \$1.47 million and an annual enrollment of 33,363 students. The university's primary focus is on undergraduate education, but also offers masters and doctoral degree programs. Utah Valley University (UVU) is a publicly funded university located in Orem. With an annual enrollment of over 34,000 students, UVU is the largest public university in the state. The university currently offers bachelor and associate degrees and more than 20 certificate programs and high-demand degrees in education and nursing.

Household Trends

The 2024 Households number of households in the metropolitan area was 213,725. The number of households in the metropolitan area is projected to grow by 2.4% annually, increasing the number of households to 240,483 by 2029 Households. The 2024 average household size for the metropolitan area was 3.43, which was 35.57% larger than the United States average household size of 2.53 for 2024. The average household size in the metropolitan area is anticipated to retract by 0.41% annually, reducing the average household size to 3.36 by 2029.

NUMBER OF HOUSEHOLDS			
YEAR	US	UT	CBSA
2024 Households	130,716,571	1,147,946	213,725
2029 Households	134,930,577	1,240,486	240,483
2024-2029 CAGR	0.6%	1.6%	2.4%

Source: Esri ArcGIS®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	UT	CBSA
2024	2.53	3.01	3.43
2029	2.50	2.96	3.36
2024-2029 CAGR	(0.24%)	(0.33%)	(0.41%)

Source: Esri ArcGIS®

The Provo-Orem-Lehi metropolitan area had 28.58% renter occupied units, compared to the higher 29.18% in Utah and the higher 35.64% in the United States.

HOUSING UNITS			
	US	UT	CBSA
Owner Occupied	64.36%	70.82%	71.42%
Renter Occupied	35.64%	29.18%	28.58%

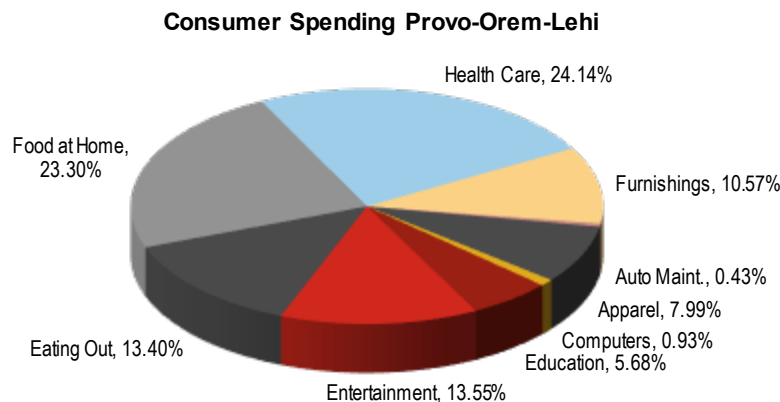
Source: Esri ArcGIS®

The 2024 median household income for the metropolitan area was \$102,425, which was 29.54% higher than the United States median household income of \$79,068. The median household income for the metropolitan area is projected to grow by 2.66% annually, increasing the median household income to \$116,814 by 2029.

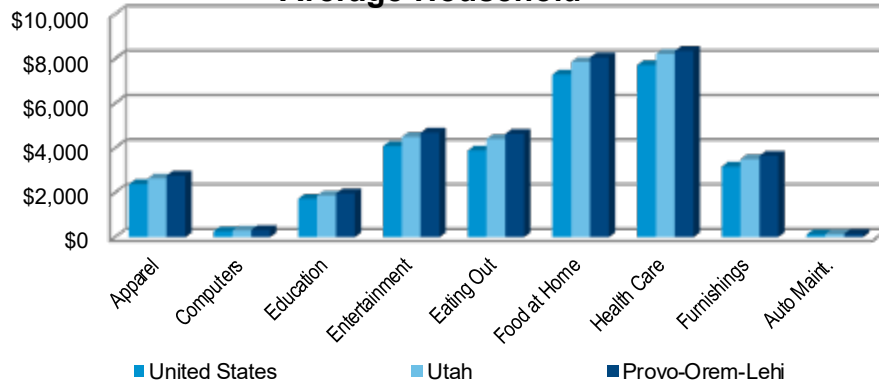
As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the MSA's cost of living is 103.4 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	UT	CBSA
2024	\$79,068	\$95,801	\$102,425
2029	\$91,442	\$110,702	\$116,814
2024-2029 CAGR	2.95%	2.93%	2.66%

Source: Esri ArcGIS®



Consumer Spending Comparison Average Household



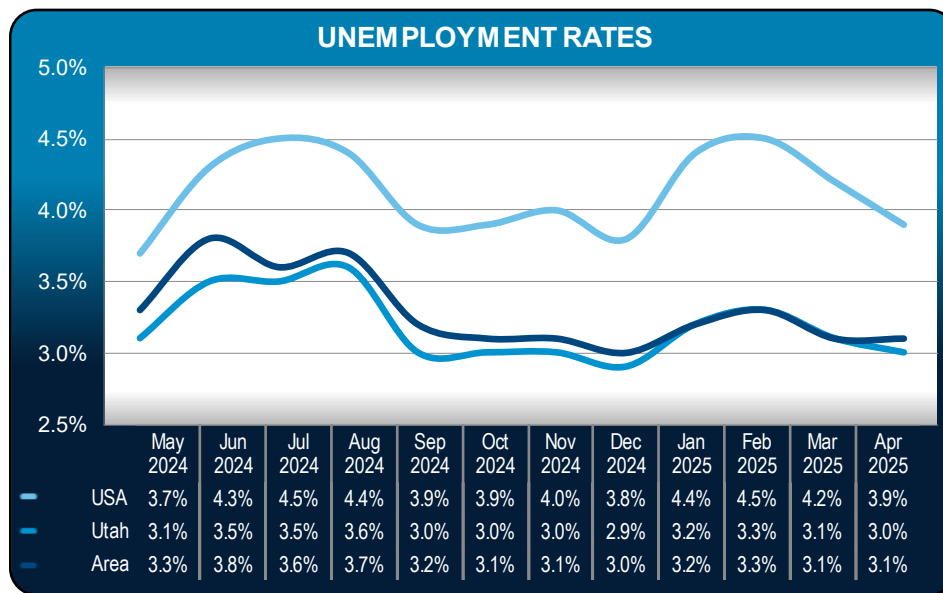
Employment

Total employment has increased annually over the past decade in the state of Utah by 2.6% and increased annually by 3.5% in the area. From 2023 to 2024 unemployment increased in Utah by 0.5% and increased by 0.6% in the area. In the state of Utah unemployment has decreased over the previous month by 0.1% and decreased by 0.0% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2015 - 2024

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	Utah		Provo-Orem-Lehi, UT Metropolitan Statistical Area		United States*	Provo-Orem-Lehi, UT Metropolitan Statistical Area	
	Total	% Δ Yr Ago	Total	% Δ Yr Ago		Utah	
2015	1,409,952	2.8%	262,472	4.8%	5.3%	3.5%	3.2%
2016	1,458,487	3.4%	277,248	5.6%	4.9%	3.3%	3.0%
2017	1,506,273	3.3%	290,197	4.7%	4.4%	3.1%	2.8%
2018	1,537,987	2.1%	299,962	3.4%	3.9%	2.9%	2.7%
2019	1,578,069	2.6%	309,121	3.1%	3.7%	2.5%	2.4%
2020	1,566,150	(0.8%)	311,357	0.7%	8.1%	4.8%	3.9%
2021	1,639,276	4.7%	331,249	6.4%	5.3%	2.8%	2.4%
2022	1,701,807	3.8%	345,764	4.4%	3.6%	2.4%	2.2%
2023	1,749,249	2.8%	353,666	2.3%	3.6%	2.7%	2.7%
2024	1,774,702	1.5%	358,460	1.4%	4.0%	3.2%	3.3%
CAGR	2.6%	-	3.5%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Brigham Young University	15,000-19,999	University
Alpine School District	7,000-9,999	Education
Utah Valley University	5,000-6,999	University
Utah Valley Regional Medical Center	5,000-6,999	Healthcare
Vivint	3,000-3,999	Technology
Nebo School District	3,000-3,999	Education
Wal-Mart	2,000-2,999	Retail
State of Utah	2,000-2,999	State Government
RBD Acquisition	2,000-2,999	Services to Buildings
Young Living Essential Oils	2,000-2,999	Direct Selling
Vivint Solar	1,000-1,999	Solar Energy
Provo School District	1,000-1,999	Education
Nexeo Staffing	1,000-1,999	Employment Services
Doterra International	1,000-1,999	Direct Selling
IM Flash Technologies	1,000-1,999	Technology
Entrata	1,000-1,999	Data Processing & Hosting
Adobe Systems	1,000-1,999	Technology
Nu Skin	1,000-1,999	Health Products
Smith's Food & Drug	1,000-1,999	Grocery Store
Sundance Resort	1,000-1,999	Hospitality

Source: Utah Department of Workforce Services

The preceding chart depicts the top employers in Utah County. Principal employers in the region are spread throughout different sectors including education healthcare/social assistance, and professional/scientific/ technical services. Brigham Young University is the top employer. A private research university located in Provo, owned and operated by The Church of Jesus Christ of Latter-day Saints, BYU is the country's largest religious university and the third-largest private university. The third largest employer is Utah Valley University. With a total of 5,000-6,999 employees, Utah Valley University is the largest institution of higher education in the state. The fourth largest employer is Utah Valley Regional Medical Center. The 395-bed not-for-profit hospital is part of the Intermountain Healthcare system and serves Utah County, central and southern Utah.

Airport Port Statistics

It is noted that the decrease in the number of enplaned passengers during 2020 and the resulting increase in 2021 is a result of COVID-19. The number of enplaned passengers reached a record high in 2023, nearly doubling from the prior year.

PROVO MUNICIPAL AIRPORT (PVU)		
YEAR	ENPLANED PASSENGERS	% CHG
2013	30,090	-
2014	62,011	106.1%
2015	65,303	5.3%
2016	78,451	20.1%
2017	91,581	16.7%
2018	80,106	(12.5%)
2019	110,279	37.7%
2020	77,217	(30.0%)
2021	118,740	53.8%
2022	211,741	78.3%
2023	415,197	96.1%

Source: U.S. Department of Transportation

Taxes

Property taxes are levied at the state and local level, based on assessed valuations established by elected county assessors and, in the case of certain properties, by the State Tax Commission's Property Tax Division. The amount of taxes paid is based on the tax rate applied against the taxable value of the property.

Tax rates are set by local entities (counties and towns, school districts, and special taxing districts) and approved by the Property Tax Division. Effective tax rates range from 0.86% to 2.2% in 2014.

State Income Tax is based on 5% of every dollar of income earned. Utah has sales and use tax for retail sales of tangible personal property and select services such as admissions to places of amusement, intrastate transportation service, hotel and motel accommodations, and certain other goods and services. Rates for sales and use tax within each municipality vary between 5.95% and 8.35% of purchase price. Additional local sales taxes for specific goods also exist.

The restaurant tax is an additional 1%. The motor vehicle rental tax of 2.5% is applied statewide with an additional tax of 3% in Duchesne, Grand, and Uintah counties and 7% in Davis, Morgan, Salt Lake, Sevier, Washington, and Weber counties.

Local taxes, in addition to sales taxes from room rates, vary from 3 to 4.5%. Municipal energy sales and use tax rates, when charged, varies from 1% to 6%. A general sales tax of up to 1.5% is applied in 12 resort communities.

The state of Utah taxes all corporations' net income, which has been determined by law to be allocable to the state. Utah has the three factors-sales, payroll and property-to equally apportion federal taxable income. The corporate franchise tax rate is 5% of net taxable income. Minimum tax for state banks and corporations is \$100.

Employers must pay on the first \$21,400 of wages paid to each employee during the calendar year. Unemployment tax rates vary from 0.1% to 8.1% of taxable payroll, depending on unemployment experience and type of industry.

Utah's free port law is among the most liberal inventory tax laws in the country. Goods used by retailers, wholesalers, or manufacturers for processing and sale in Utah are exempt from ad valorem taxes.

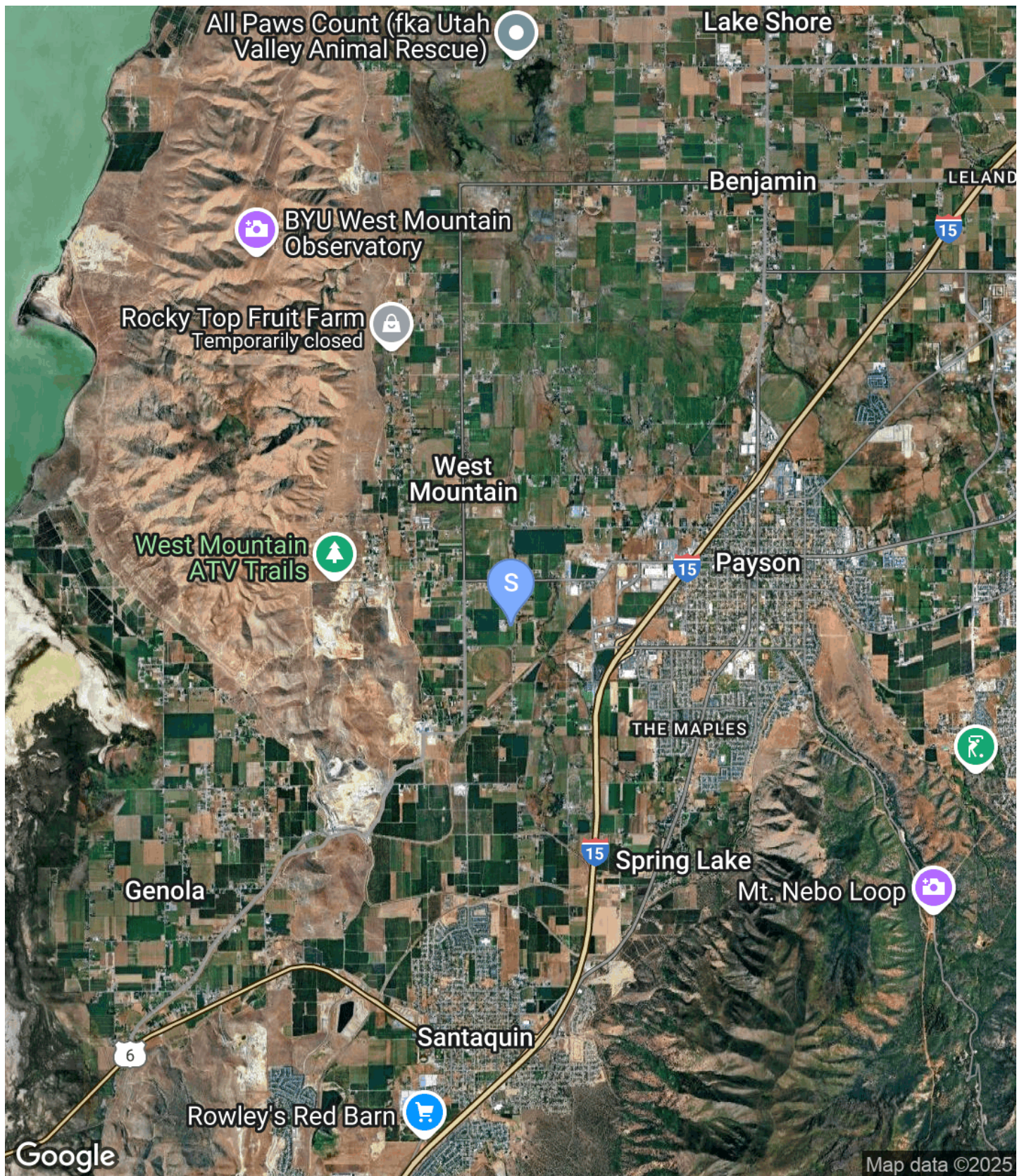
Salt Lake, a customs port city, offers a foreign trade zone. The service allows duties to be deferred or reduced.

Motor vehicles have a uniform fee in lieu of property tax based on the model year of the vehicle. The fee ranges from \$10 to \$150, depending on the age of the vehicle.

Summary

The Provo-Orem Metropolitan Statistical Area benefits from a strong economy supported by education, healthcare, tourism, and recreational sectors. The county's natural attractions are a competitive advantage for the region's economy and will play a vital role in the future economic health and prosperity of the region. It is anticipated that the Provo-Orem MSA will continue to be a part of a growing regional economy, thus supporting positive trends for multi-

family developments in the area. Economic growth across the Wasatch Front is projected to outpace the national average over the forecast horizon due to these factors.



Introduction

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.



Local Area Profile

The subject property is located in Payson, Utah, within Utah County. According to the 2020 census, the population was 21,101. The city is in the central southern portion of the county, approximately 60 miles southwest of Salt Lake City and 15 miles southwest of Provo. Payson is bordered by rural townships to the north and west, Salem to the east, and townships and several mountain peaks to the south. The area is traversed by Interstate 15. Air transportation is provided by Provo Municipal Airport, about 15 miles north.

Demographic Profile

Below is a demographic study of the area, sourced by *Esri ArcGIS®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2010 Population	680	16,713	30,938	2024	\$90,563	\$106,514	\$111,622
2020 Population	1,035	19,358	36,970	2029	\$110,219	\$126,157	\$131,468
2024 Population	1,099	19,862	40,345	Change 2024-2029	21.70%	18.44%	17.78%
2029 Population	1,118	20,026	42,927	MEDIAN HOUSEHOLD INCOME			
Change 2010-2020	52.21%	15.83%	19.50%	2024	\$75,413	\$88,854	\$93,510
Change 2020-2024	6.18%	2.60%	9.13%	2029	\$88,398	\$105,851	\$108,255
Change 2024-2029	1.73%	0.83%	6.40%	Change 2024-2029	17.22%	19.13%	15.77%
NUMBER OF HOUSEHOLDS				PER CAPITA INCOME			
2010 Households	194	4,617	8,399	2024	\$29,390	\$31,008	\$31,491
2020 Households	314	5,540	10,281	2029	\$36,995	\$37,882	\$38,071
2024 Households	345	5,797	11,447	Change 2024-2029	25.88%	22.17%	20.89%
2029 Households	363	6,036	12,506	HOUSEHOLDS BY INCOME (2022)			
Change 2010-2020	61.86%	19.99%	22.41%	Less than \$15,000	0.00%	3.97%	3.41%
Change 2020-2024	9.87%	4.64%	11.34%	\$15,000 - \$24,999	1.29%	2.69%	2.83%
Change 2024-2029	5.22%	4.12%	9.25%	\$25,000 - \$34,999	6.45%	4.67%	4.46%
HOUSING UNITS				\$35,000 - \$49,999	25.16%	12.76%	10.80%
Owner Occupied	186	4,528	9,465	\$50,000 - \$74,999	22.26%	20.77%	19.54%
Renter Occupied	159	1,269	1,982	\$75,000 - \$99,999	18.71%	14.46%	16.95%
HOUSING UNITS BY YEAR BUILT				\$100,000 - \$149,999	19.68%	23.79%	24.67%
Built 2020 or Later	0	48	134	\$150,000 - \$199,999	3.55%	11.40%	11.09%
Built 2010 to 2019	81	747	1,648	\$200,000 or More	2.90%	5.47%	6.25%
Built 2000 to 2009	48	1,551	2,711	HOUSING BY UNITS IN STRUCTURE			
Built 1990 to 1999	62	774	2,039	1, Detached	159	4,470	8,778
Built 1980 to 1989	42	389	784	1, Attached	4	342	661
Built 1970 to 1979	28	934	1,509	2	0	88	199
Built 1960 to 1969	10	159	374	3 or 4	4	179	231
Built 1950 to 1959	4	213	371	5 to 9	0	78	192
Built 1940 to 1949	3	264	336	10 to 19	99	262	354
Built 1939 or Earlier	28	629	1,079	20 to 49	9	77	159
HOME VALUES				50 or More	0	0	0
Average	\$366,444	\$533,479	\$563,591	Mobile Home	31	206	406
Median	\$279,167	\$484,353	\$509,243	Boat, RV, Van, etc.	0	4	6

Source: Esri ArcGIS®

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES

HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
I-15	north-south	Interstate Highway	This is within a mile of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
American Way	north-south	Secondary Arterial	This is within a mile of the subject property.
800 South	east-west	Primary Arterial	This is within a mile of the subject property.
2400 West	north-south	County Road	The subject property fronts this street.

Payson is currently served by three weekday UTA bus routes—805, 821, and 822—which provide regional connectivity between Payson and Provo. However, these routes do not run in the subject's immediate area; they operate east of I-15, primarily along Payson Main Street and surrounding areas. FrontRunner commuter rail station is located approximately 11 miles north in Provo, offering service between Provo and Ogden. However, a new FrontRunner station is planned for Payson as part of UTA's proposed southern extension of the FrontRunner line.

Economic Factors

As a commuter city, many Payson residents work in the Provo/Orem area and much of the local economy is dependent on those two cities. Provo is home to Brigham Young University, a private higher education institution operated by The Church of Jesus Christ of Latter-day Saints. Provo is a significant area for technology development in Utah, with several billion-dollar startups. The main industries in Provo are educational services, retail trade, healthcare/social assistance, professional/scientific/technical services and accommodation/food services. The main employers are Brigham Young University, Utah Valley Hospital and Vivint.

Community Services

Community services and facilities are readily available throughout the Payson area. These include Payson Fire Station #1 and Payson Police Department, both located near the city center. Mountain View Hospital, a full-service acute care facility, provides medical services to the community and is situated about three miles northeast of the subject property. Educational facilities serving all age groups are available through the Nebo School District, including Payson High School, Payson Junior High, and several nearby elementary schools.

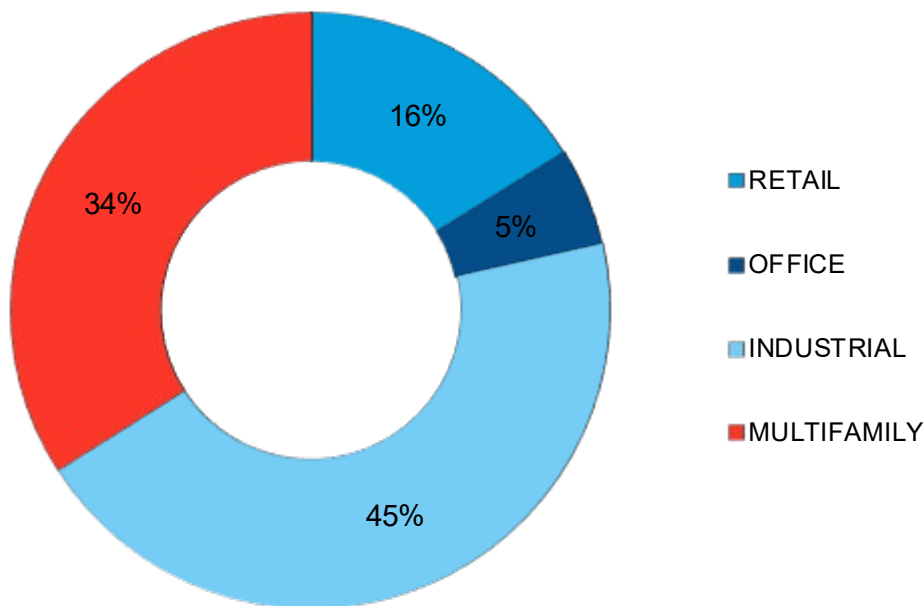
Immediate Area Profile

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

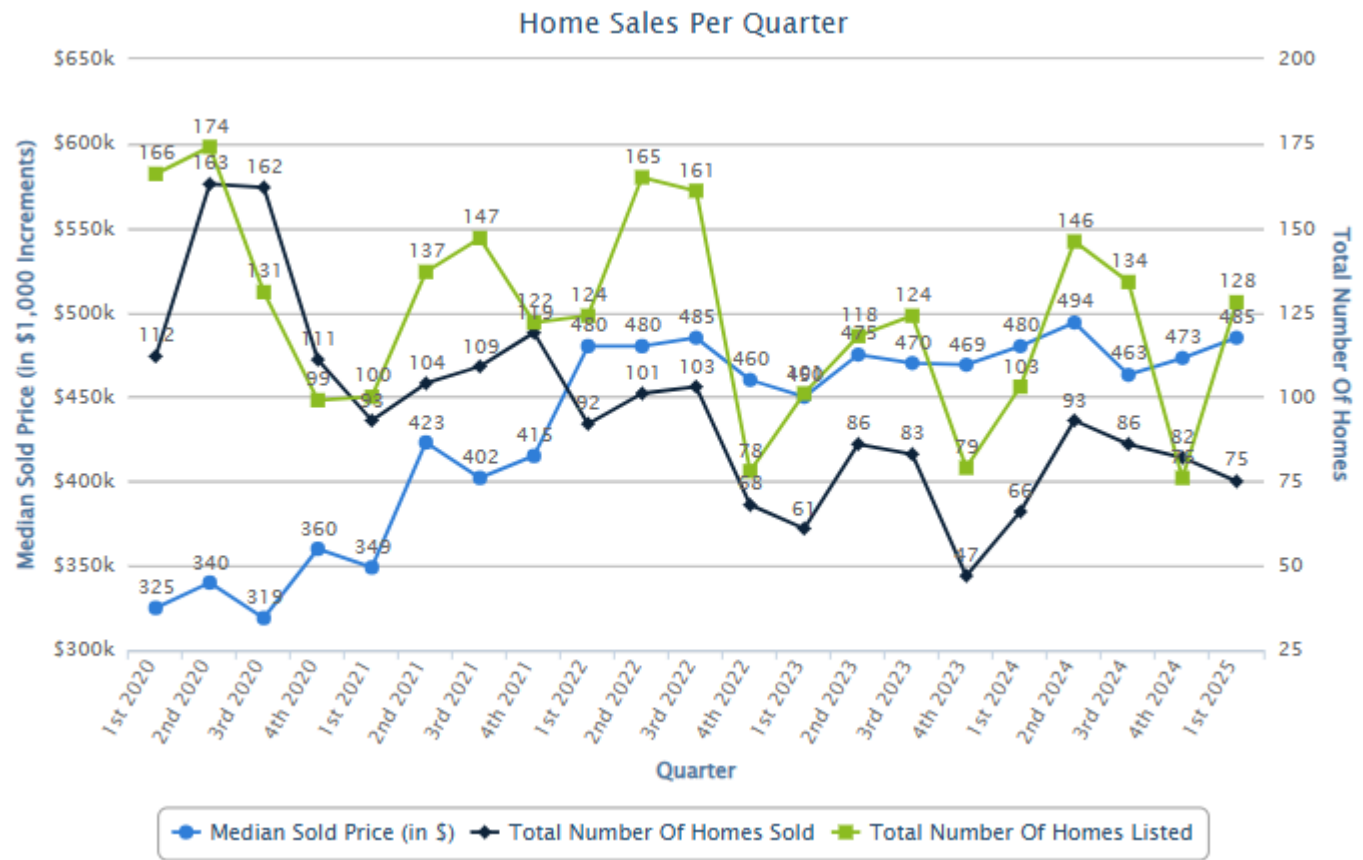
Significant development in the immediate area includes a mix of retail, office, industrial, and auto-related uses, primarily located along major corridors such as 800 South, 100 West, and Main Street (SR-198). These commercial areas are interspersed with multi-family residential complexes and newer single-family subdivisions situated farther from the main arterials. The area reflects a typical development pattern for a growing regional hub, with commercial activity concentrated along transportation routes and residential neighborhoods extending outward. The composition of surrounding land uses is illustrated in the following graph.

COMMERCIAL AREA COMPOSITION



Residential Development

According to the Utah MLS, median home sale prices in the subject’s zip code increased relatively consistently from Q1 2019 to Q3 2022. It decreased slightly in Q4 2022 and Q1 2023 and has remained relatively stable since that time. The median price in Q1 2025 was \$485,000 which matches the high of Q3 2022. Q4 2023 saw the fewest homes sold (47) in the five-year period, after reaching a high of 163 in Q2 2020. Home sales picked back up through 2024 but have been declining somewhat since. The table below depicts median home sale figures within the subject’s zip code over the last five years.



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

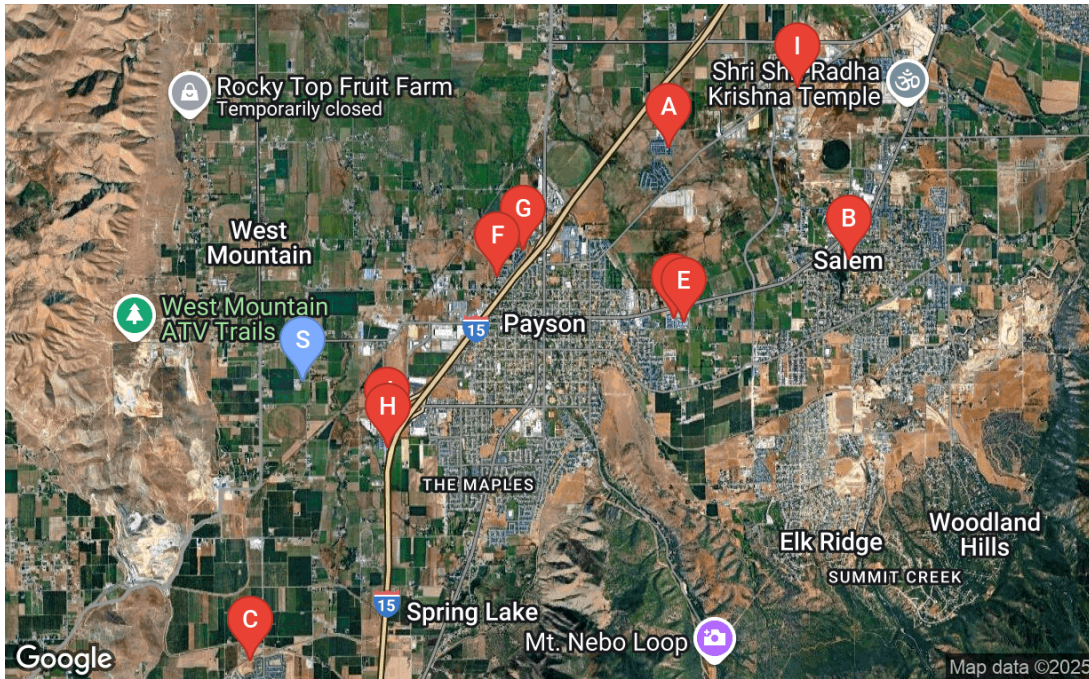
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	2	600,000	2021
B	17	1,600,532	2020
C	19	738,075	1983
TOTAL	38	2,938,607	2002

Source: CoStar

The three largest multi-family properties are at 1782 North 1330 East, 350 West Arrowhead Trail Road and Ginger Gold Road with an NRA of 400,000 SF, 300,000 SF and 300,000 SF that were built in 2021, 2022 and 2019, respectively. The closest large multi-family property in proximity to the subject is at 1045 South 1700 West with an NRA of 102,550 SF that was built in 2010. All of the properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Arrow head Place	4.4 Miles	A	B	400,000	2	2021
Salem Park	5.7 Miles	B	A	300,000	2	2022
The Orchards	2.9 Miles	C	A	300,000	2	2019
South Haven Farms	3.9 Miles	D	B	215,000	2	2022
South Haven Farms	3.9 Miles	E	B	205,275	3	2022
The Meadow s	2.3 Miles	F	C	200,000	0	2022
Eversage	2.6 Miles	G	B	176,400	3	2018
Payson Point	1.1 Miles	H	C	135,000	4	2023
Salem Rooftops	5.9 Miles	I	B	103,000	3	2023
Ridgestone Condominiums	1.0 Miles	J	B	102,550	3	2010

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

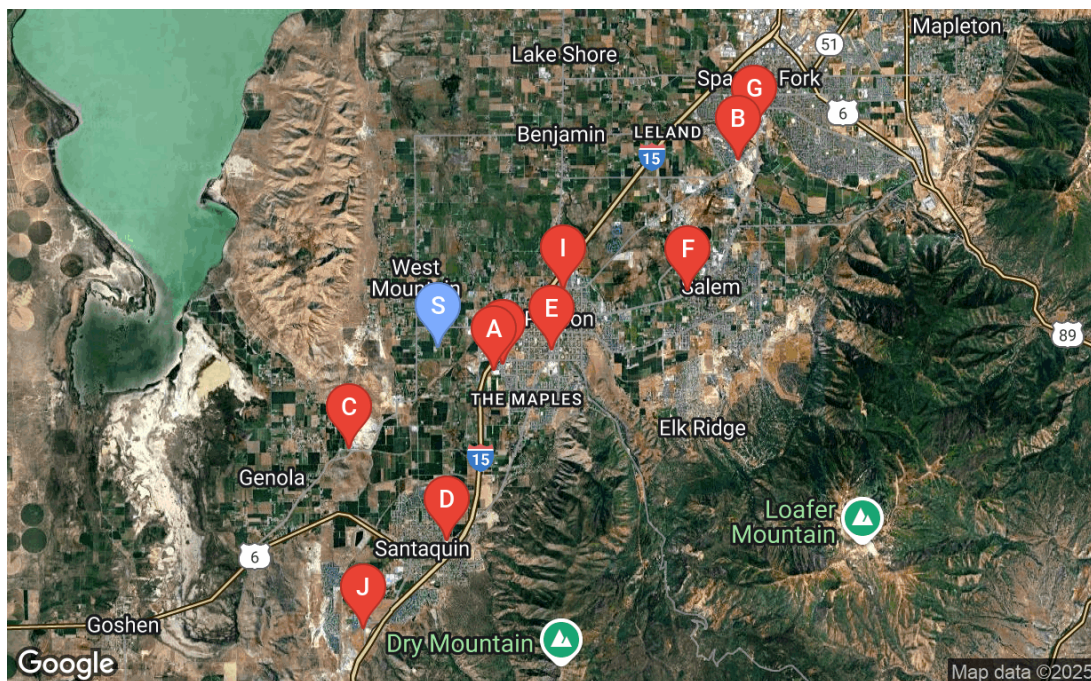
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	256	1,394,921	1968	99.1	\$21.75
TOTAL	256	1,394,921	1968	99.1	\$21.75

Source: CoStar

The three largest retail properties are at 1052 South Turf Farm Road, 1486 Del Monte Road and 533-609 North State Road with an NRA of 91,931 SF, 84,000 SF and 70,077 SF that were built in 2004, 2021 and 2012, respectively. The closest large retail property in proximity to the subject is at 1052 South Turf Farm Road. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Payson Retail Center	1.2 Miles	A	Community Center	91,931	100.0	2004
Retail Building	7.2 Miles	B	General Retail	84,000	100.0	2021
South Town Plaza	2.8 Miles	C	Neighborhood Center	70,077	100.0	2012
Macey's	4.0 Miles	D	General Retail	57,482	100.0	2020
Retail Building	2.3 Miles	E	General Retail	48,024	100.0	2002
Stokes Fresh Food Market	5.2 Miles	F	General Retail	42,000	100.0	2008
Retail Building	7.8 Miles	G	General Retail	38,560	100.0	2017
Payson Retail Center	1.4 Miles	H	Community Center	37,000	100.0	-
Payson Marketplace	2.8 Miles	I	General Retail	36,629	100.0	2002
Retail Building	6.0 Miles	J	General Retail	34,000	100.0	2024

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	0	0	-	-	-
B	35	283,716	1993	99.3	\$32.00
C	46	174,203	1960	100.0	-
TOTAL	81	457,919	1974	99.7	\$32.00

Source: CoStar

The three largest office properties are at 375 East 10480, 555 West State Road 164 and 55 North Professional Way with an NRA of 37,688 SF, 37,440 SF and 35,853 SF that were built in 1996, 2015 and 2009, respectively. The closest large office property in proximity to the subject is at 755 South 1040 West with an NRA of 12,050 SF that was built in 2017. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT
Office Building	7.1 Miles	A	C	37,688	100.0	1996
AHC of Salem	6.0 Miles	B	B	37,440	100.0	2015
Parkway Health Center	3.7 Miles	C	B	35,853	100.0	2009
Mountain View Medical Plaza	3.4 Miles	D	B	34,097	74.6	2008
Canyon View Family Medicine	8.1 Miles	E	B	18,205	100.0	2011
Centennial Business Park	3.3 Miles	F	B	14,000	100.0	1996
Payson Professional Offices	1.5 Miles	G	B	12,050	100.0	2017
Office Building	8.4 Miles	H	C	11,000	100.0	1996
Office Building	2.6 Miles	I	B	10,000	100.0	1964
Office Building	5.1 Miles	J	B	9,740	100.0	2004

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

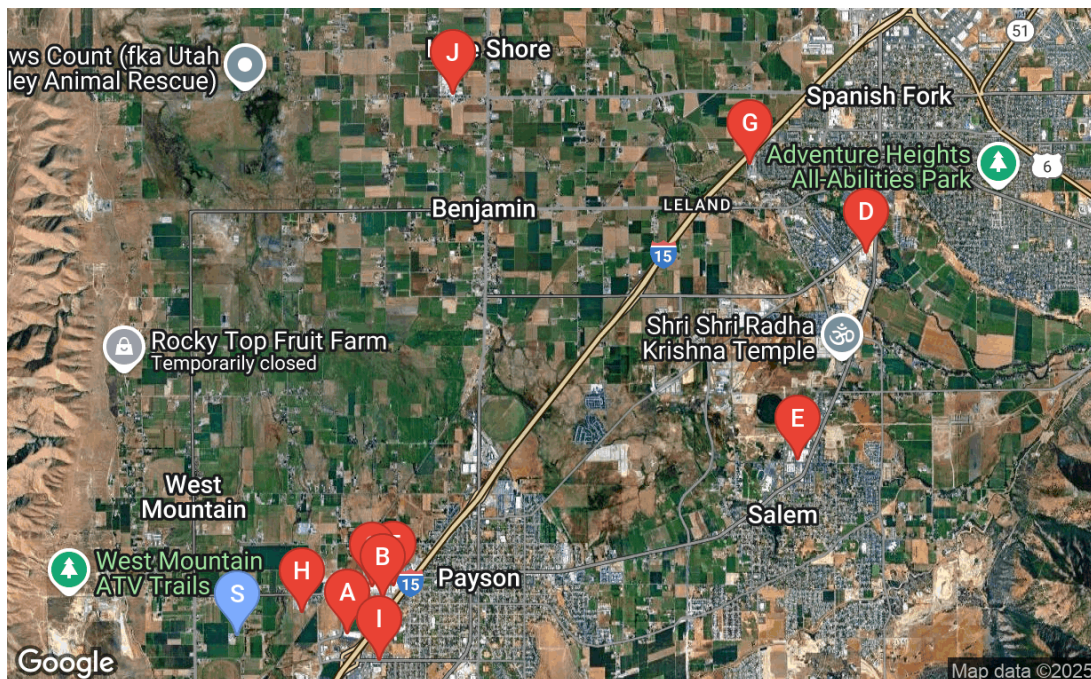
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	87	3,686,754	1992	95.2	\$13.43
Flex	9	150,616	1994	93.8	-
TOTAL	96	3,837,370	1993	95.1	\$13.43

Source: CoStar

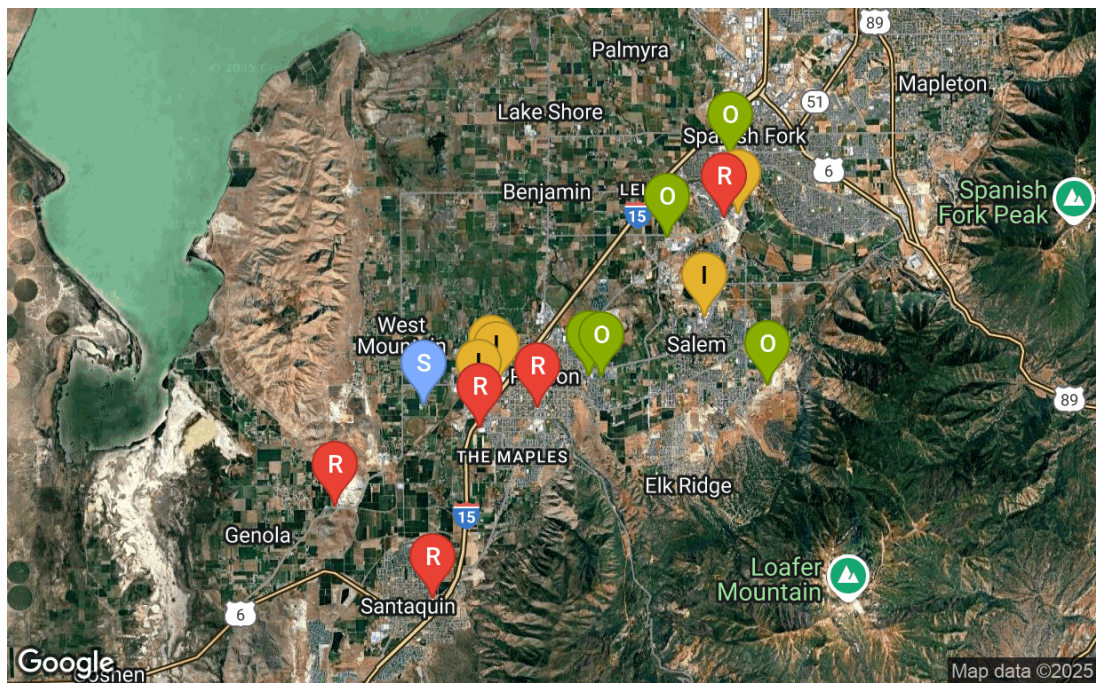
The three largest industrial properties are at 1551 American Way, 213 Temkin Boulevard and 1199 West Utah Avenue with an NRA of 410,833 SF, 382,435 SF and 323,388 SF that were built in 2019, 1997 and 1996, respectively. The closest large industrial property in proximity to the subject is at 1851 West 200 South with an NRA of 153,187 SF that was built in 1977. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES						
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT
Industrial Building	1.1 Miles	A	Industrial	410,833	100.0	2019
Payson Industrial Park	1.5 Miles	B	Industrial	382,435	100.0	1997
Liberty Safe and Security	1.5 Miles	C	Industrial	323,388	100.0	1996
Arrow head Center	7.5 Miles	D	Industrial	221,351	100.0	1932
Industrial Building	6.0 Miles	E	Industrial	210,384	100.0	1997
Industrial Building	1.7 Miles	F	Industrial	190,435	100.0	1993
Industrial Building	7.1 Miles	G	Industrial	175,000	100.0	1916
Industrial Building	0.7 Miles	H	Industrial	153,187	100.0	1977
Industrial Building	1.5 Miles	I	Industrial	136,703	100.0	1979
Industrial Building	6.0 Miles	J	Industrial	123,500	100.0	1958

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



Subject Property Analysis

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Vacant Land
- › **South** - Vacant Land
- › **East** - Vacant Land, Single Family Home
- › **West** - Single Family Home, Farm

Access

The subject property has frontage on a paved county road. While the road is improved and publicly maintained, it is a county roadway that lacks the width and infrastructure (such as municipal water and sewer) typically required for higher-density development. Access is adequate to support continued agricultural use or residential development in accordance with the A-5-H zoning designation, which requires a minimum five-acre lot size. Based on our field observations, the subject's access is considered fair to average compared to other properties with which it competes in the local market.

Surrounding Land Use / Development Trends

The subject is located in a rural fringe area of western Payson, characterized primarily by agricultural land, large-lot rural residential uses, and undeveloped parcels. Nearby development is sparse, and the area lacks full municipal infrastructure. While long-term development is anticipated under the City's general plan, the timing is uncertain, and significant new growth is not expected in the immediate vicinity for the immediate future. As such, the subject's market appeal is primarily to buyers seeking agricultural or rural residential use with potential speculative upside.

Subject Conclusion

The subject property is located in a transitional area on the western edge of Payson, where development has not yet extended and surrounding land remains largely agricultural or undeveloped. While the property benefits from paved county road access, it lacks municipal utilities and is situated beyond the current limits of active growth. Adjacent land uses are consistent with the subject's A-5-H zoning, and no immediate pressures for urban development are evident. In the context of similarly situated rural or semi-rural parcels with speculative long-term potential, the subject holds an average market position, with no distinct locational advantages or disadvantages that would materially impact demand or value relative to comparable properties.

Summary

As of the effective date, the long-term outlook for Utah County remained highly optimistic. The county's young population, high birth rates, and strong in-migration trends contributed to sustained growth. The region's dynamic economy, supported by a skilled workforce and a strong entrepreneurial ecosystem, positioned it well for continued prosperity. Utah County's strategic investments in infrastructure and its appeal as a tech hub further reinforced its potential for future growth.

Site Description – Larger Parcel

The larger parcel is the property for which the condemnor is required to pay just compensation for damages. In determining the extent of the larger parcel, three tests are applied;

1. Unity of title;
2. Unity of use; and
3. Contiguity

Unity of title requires that the property be under the same ownership, or, at least under the beneficial control of a single individual or entity. Unity of use requires that the property have the same, or an integrated, highest and best use. Contiguity generally requires that the property be adjoining, although separation by a road or a right-of-way does not necessarily make a property non-contiguous.

We have determined the larger parcel for this assignment to be all of parcel 29-010-0029, which is owned by Iram G. Martinez. This parcel is all owned by the same entity, all has the same highest and best use and is contiguous.

General Description

The subject's larger parcel consists of 1 parcel. As noted below, the subject site has 241,784 SF (5.55 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel

29-010-0029

Number Of Parcels

1

Land Area

Acres

Square Feet

Primary Parcel

5.55

241,784

Unusable Land

0.00

0

Excess Land

0.00

0

Surplus Land

0.00

0

Total Land Area

5.55

241,784

Shape

Generally Rectangular - See Plat Map For Exact Shape

Topography

Level at street grade

Drainage

Assumed Adequate

Utilities

Power available to the site. Septic and private well.

Street Improvements

Street

Direction

No. Lanes

Street Type

Curbs
Sidewalks
Streetlights
Center Lane
Gutters

2400 West

Primary Street

two-way

two-lane

County Road

Frontage

The larger parcel has approximately 519 feet of frontage on 2400 West.

Accessibility

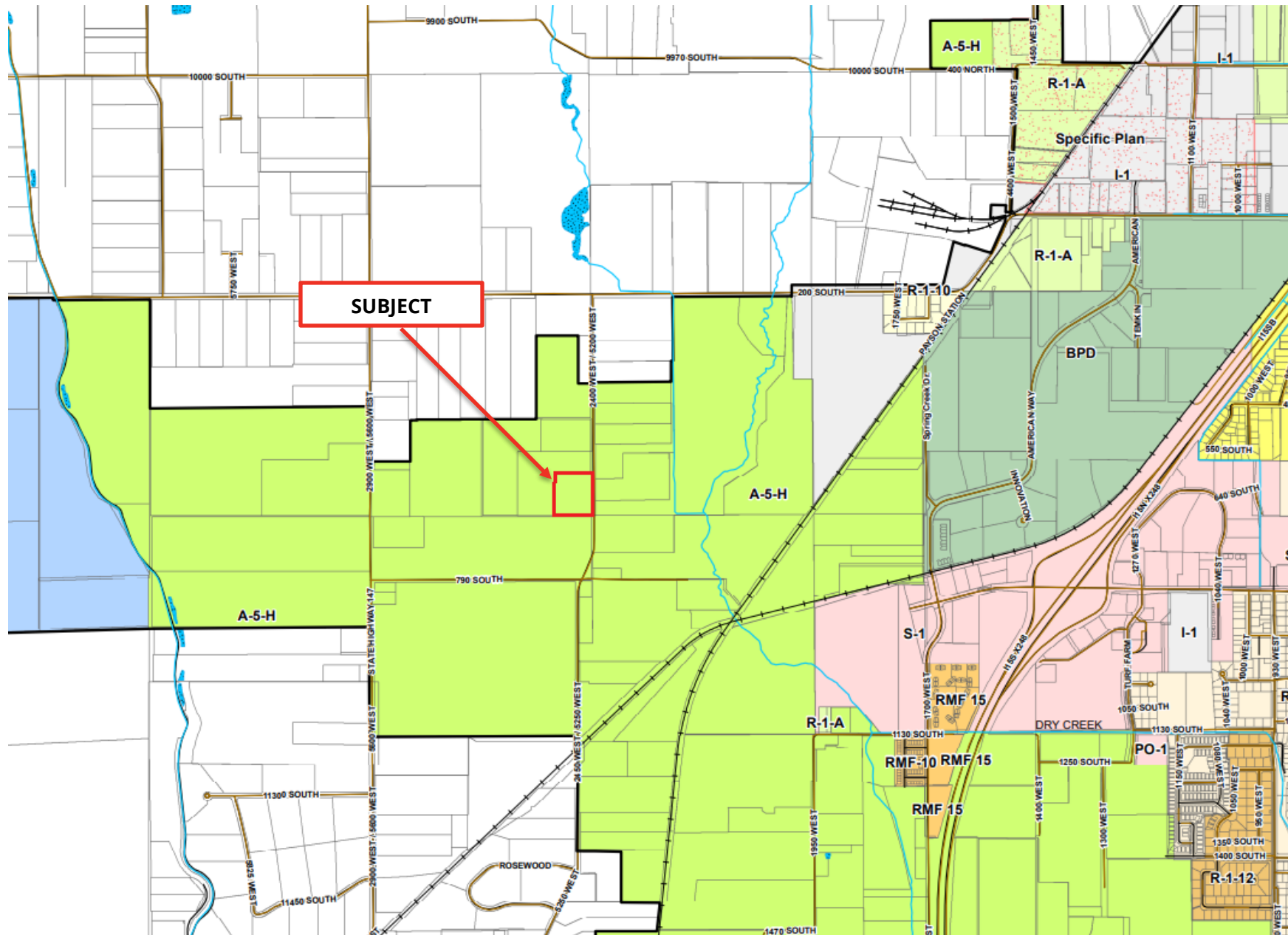
The accessibility of the subject is rated as fair/average. The subject is accessed from one street, with the main entrance and primary point of ingress/egress being 2400 West. 2400 West is a paved county road. Access is adequate for uses allowable in the A-5 zone (agriculture and single family homes on a minimum lot size of five acres), but in order to develop the site to a higher intensity use city utilities need to be brought to the site and the road upgraded.

Exposure	The subject has fair/average exposure, as it is located along a county road. The project's exposure rating takes into account its average visibility and its below average traffic count.
Seismic	The subject is in High Risk. The seismic zone factor (or Z factor) corresponds numerically to the effective horizontal peak bedrock acceleration (or equivalent velocity) that is estimated as a component of the design base shear calculation. In each seismic zone an earthquake-related event would create an effective peak bedrock acceleration of 0.1 times the force of gravity for Zone 1, 0.15 times the force of gravity for Zone 2A, 0.2 times the force of gravity for Zone 2B, 0.3 times the force of gravity for Zone 3 and 0.4 times the force of gravity for Zone 4. These values correspond to ground motion values with a 10% probability of being exceeded in 50 years.
Flood Zone	Zone X (Unshaded). This is referenced by Community Number 490157, Panel Number 49049C0742F, dated June 19, 2020. Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Site Rating	Overall, the larger parcel is considered an average rural single family home and agricultural site in terms of its location, and access to employment, education and shopping centers, recognizing its location along a county road.
Easements	A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.
Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Plat Map



Zoning Map

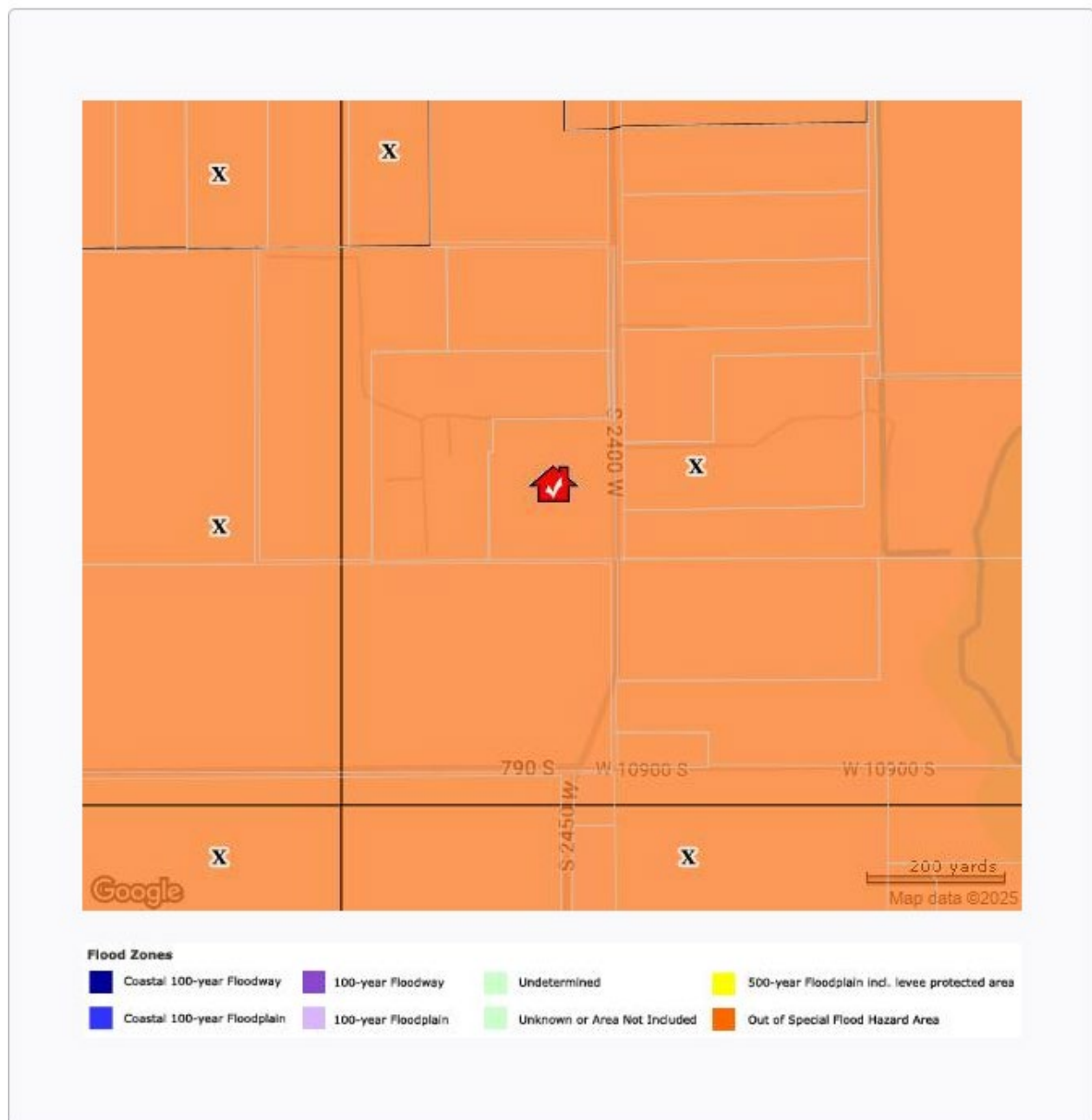


Flood Map

Flood Zone Code	Flood Zone Panel	Panel Date
X	490157 - 49049C0742F	06/19/2020
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?	Community Name	
Out	PAYSON	

Flood Zone Description:

Zone X-An area that is determined to be outside the 100- and 500-year floodplains.



Introduction

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within Utah County. The assessed value and property tax for the current year are summarized in the following table.

Assessment & Taxes						
Tax Year	2024			Tax Rate	1.6293%	
Tax Rate Area	170			Taxes Current	Yes	
APN	Land	Improv.	Total	Exemptions	Taxable	Base Tax
29-010-0029	\$379,200	\$225,800	\$605,000	\$492,883	\$112,117	\$1,827
Totals	\$379,200	\$225,800	\$605,000	\$492,883	\$112,117	\$1,827
Total/SF	\$1.57	\$0.93	\$2.50	\$2.04	\$0.46	\$0.01
Total Base Tax						\$1,827
Total Base Tax Per SF						\$0.01

Source: Utah County Assessment & Taxation

Subject Property Analysis

The total assessment for the subject property is \$605,000 or \$2.50/SF. The subject property benefits from a greenbelt exemption in the amount of \$492,883, reducing the taxable assessment to \$112,117 or \$0.46/SF. Total taxes for the property are \$1,827 or \$0.01/SF. If the property is developed. It should be assumed that the greenbelt exemption will be removed. When a piece of real property is determined by the County Assessor's office as no longer qualifying for assessment under the FFA "Greenbelt" law, the Assessor is required to apply a rollback tax to the property. Land that is withdrawn from assessment under the FAA is subject to a rollback tax equal to the difference between:

- the amount of taxes that would have been charged under a market-based assessment, and
- the amount of taxes that were charged under the FAA assessment.

In Utah, taxes are calculated by multiplying the tax rate by the taxable value. The taxable value is calculated at 100% of the final value or market value for commercial properties and 55% for residential properties. All multifamily properties receive this exemption noted above for the subject. All property is reappraised annually, and Utah law requires a review of property characteristics once every five years. A sale of the subject does not necessarily trigger a reassessment. Utah is a non-disclosure state, so purchase prices are not known by the Assessor's office. The final value is the reported market value of the property, as reported by the assessor's offices. Tax rates are set by procedures established in the Utah Constitution. There are many different rates in Utah County, and they vary across the county depending on which school district, city, special service district, and etc. the property is located.

According to the Utah County Assessor's Office, real estate taxes for the subject property are current as of the date of this report.

Introduction

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

Zoning Summary	
Municipality Governing Zoning	City of Payson Planning & Zoning Department
Current Zoning	Annexation Holding Zone (A-5-H)
Purpose	According to the Payson City Municipal Code "The A-5-H Holding Zone is not intended to establish the long-term land use pattern for properties included in the district. Rather, the purpose and intent of the A-5-H Zone is to provide zoning regulations to govern the use of land following annexation and prior to intensification of land use." It further states "Until a specific plan or development proposal is prepared and adopted by the City Council... each original parcel included in the annexation petition is entitled to a single (one-time) division into two separate parcels. Each parcel must satisfy the requirements of the A-5 Zone."
Permitted Uses	Permitted uses within this zoning district primarily include agriculture and horticulture, keeping of animals, detached single family dwellings, accessory apartments, public or private utilities, parks and recreational facilities and residential facilities for the elderly or persons with a disability.
Conditional Uses	Conditional uses include ranch or farm employee dwellings, cellular and low power towers, water storage facilities, drinking or irrigation, cemetery grounds and facilities, religious buildings and structures, educational facilities, public or private utility maintenance facilities.
Current Use	Agriculture
Is Current Use Legally Permitted?	Yes
Zoning Change	Anticipated

Zoning Requirements	
Minimum Site Area (SF)	5 acres
Minimum Yard Setbacks	
Front (Feet)	25
Rear (Feet)	25
Side (Feet)	8
Maximum Site Coverage	20%
Maximum Building Height	35 Feet
Maximum Building Area	0 SF

Source: City of Payson Planning & Zoning Department

Zoning Conclusions

Based on the interpretation of the zoning ordinance, the subject's current single family and agricultural use is an outright permitted use of the A-5-H zone.

Introduction

As concluded ahead, the highest and best use of the subject's larger parcel as-vacant is single-family residential on a minimum five-acre lot combined with agricultural uses. Therefore, this section provides a brief study of single-family residential supply/demand conditions for the Utah County Market and the Payson City Submarket, as well as transaction trends. These findings are used to support our conclusions for the competitive position, and exposure period of the subject site.

Residential Market Analysis

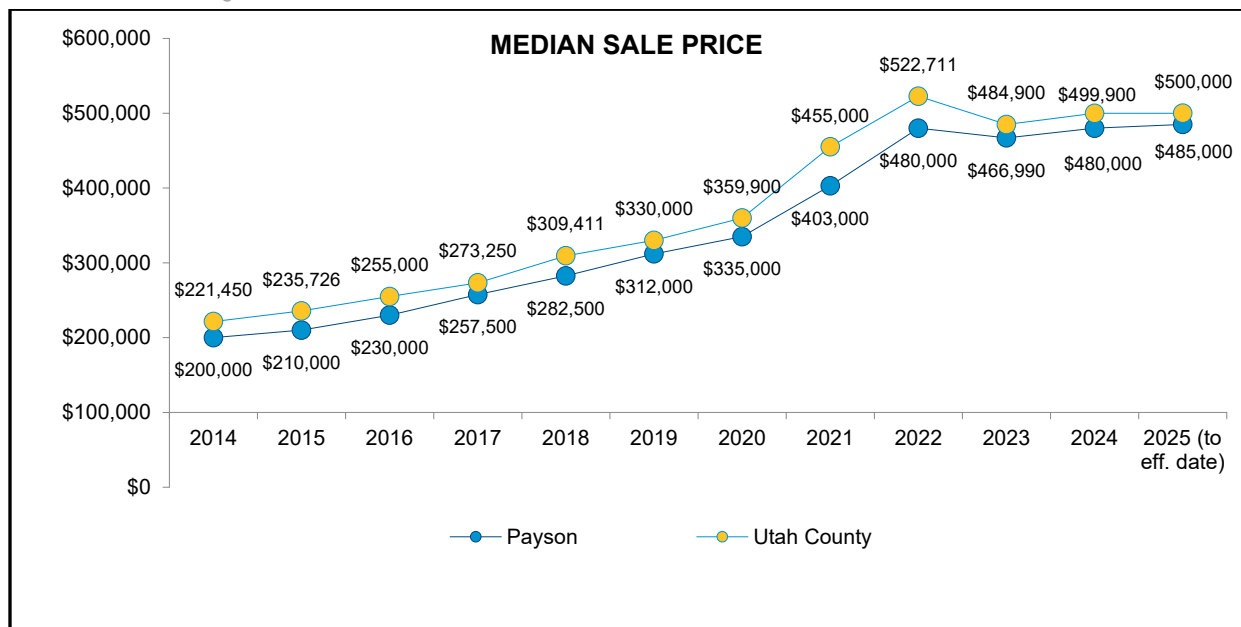
Median home prices have generally increased over the last ten years in both the city and county. As noted in the chart below, median prices in Payson have historically been slightly lower than the trend in pricing in Utah County. The table below summarizes historical median home prices and historical sales in the city and county from 2014 to 2025 Year-To-Date (YTD). The median combined days on the market (CDOM) is also included in the table. The chart below the table illustrates the trends in the median sale price of homes.

SINGLE-FAMILY HOME PRICES & SALES (2014 - YTD JUNE 2025)

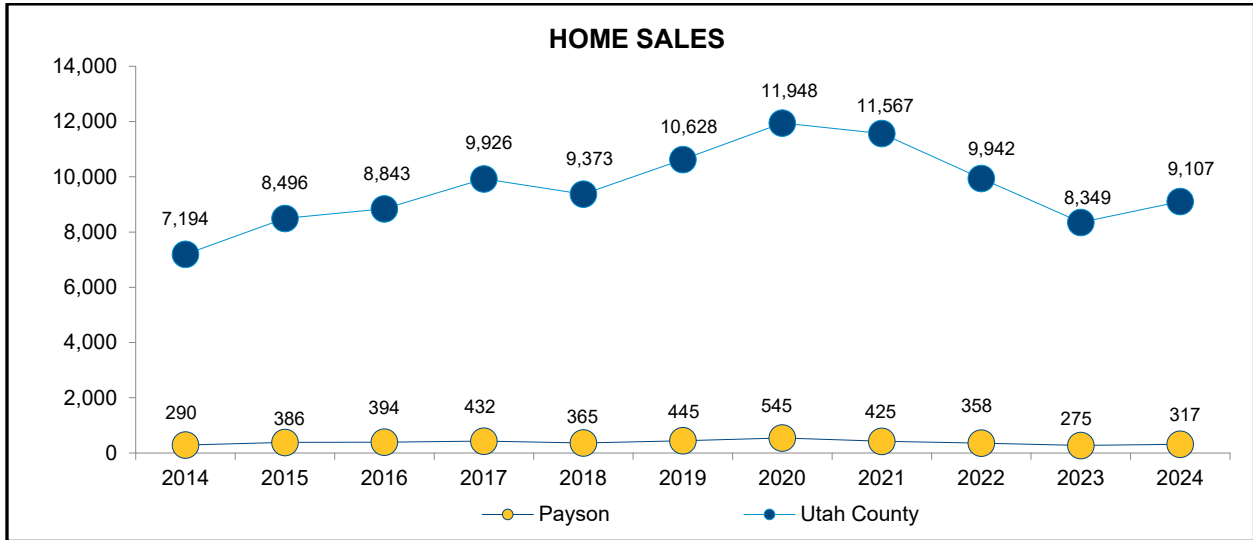
Year	Payson			Utah County		
	Median Price	No. Sold	Median CDOM	Median Price	No. Sold	Median CDOM
2014	\$200,000	290	45	\$221,450	7,194	46
2015	\$210,000	386	34	\$235,726	8,496	26
2016	\$230,000	394	21	\$255,000	8,843	17
2017	\$257,500	432	20	\$273,250	9,926	18
2018	\$282,500	365	24	\$309,411	9,373	19
2019	\$312,000	445	34	\$330,000	10,628	29
2020	\$335,000	545	24	\$359,900	11,948	14
2021	\$403,000	425	8	\$455,000	11,567	6
2022	\$480,000	358	15	\$522,711	9,942	11
2023	\$466,990	275	35	\$484,900	8,349	30
2024	\$480,000	317	42	\$499,900	9,107	31
2025 (to eff. date)	\$485,000	158	49	\$500,000	4,285	34

CDOM = Combined Days On Market

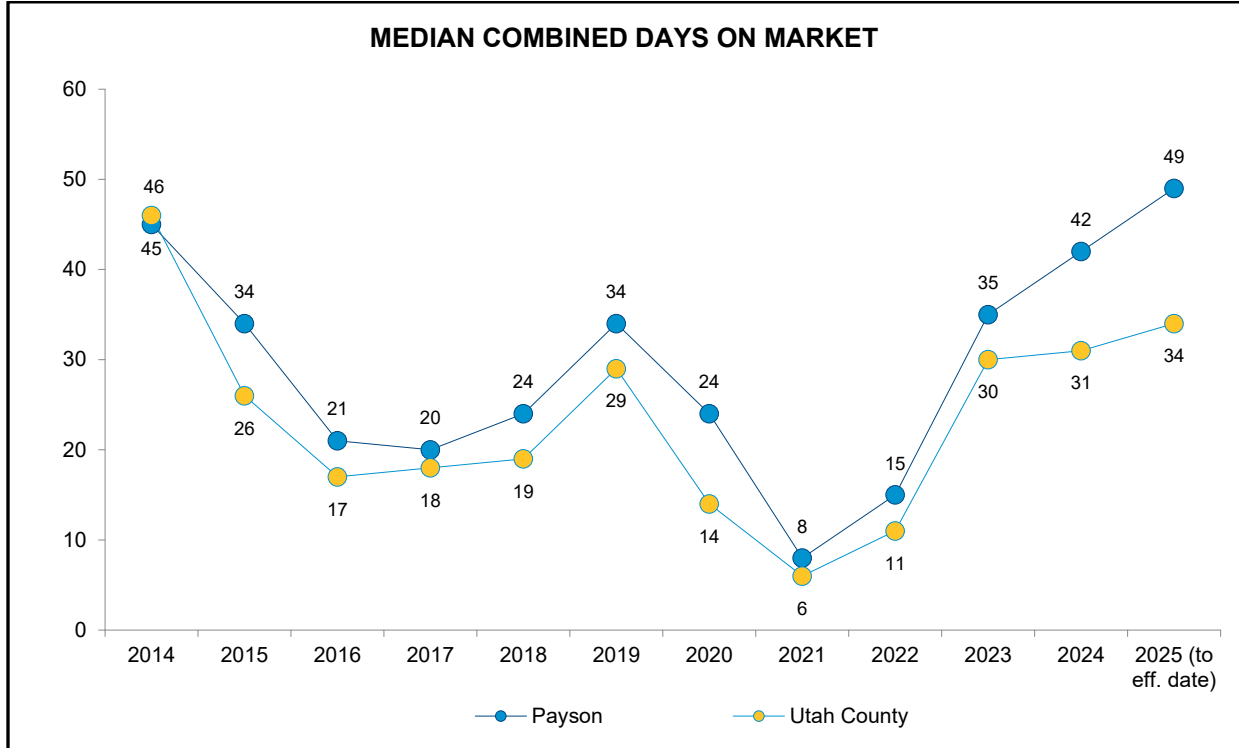
Source: Wasatch Front Regional MLS



The chart below depicts the number of home sales in Payson and Utah County from 2014 to YTD 2025. The number of home sales in the city has historically been significantly lower than in the county based on the smaller market area. The city experienced an all-time high in the number of homes sold during 2020 with 545 homes sold. Utah County also experienced a ten-year high in number of homes sold in 2020 with 11,948 homes sold. Both the city and county have since seen a decline in total home sales over the past few years, but the trend remains in line with the historical average.



The chart below indicates the median CDOM for lot sales of the city and county. The number of days on market hit a lot in 2021 during the peak of the hot housing market spurred by the Covid-19 pandemic. They have since been climbing as a result of increased interest rates since 2022, and are near the top of the ten-year trend.



Lot Prices & Sales

The table below summarizes the historical median lot prices and historical sales in the Payson area and Utah County from 2014 to YTD 2025. In addition, the median CDOM (Combined Days On Market) is indicated. The county and subject area indicate similar trends in increasing median lot prices over the past several years, however, lot prices in Springville have generally been lower than those in the county. The chart following the table below illustrates the historical lot prices.

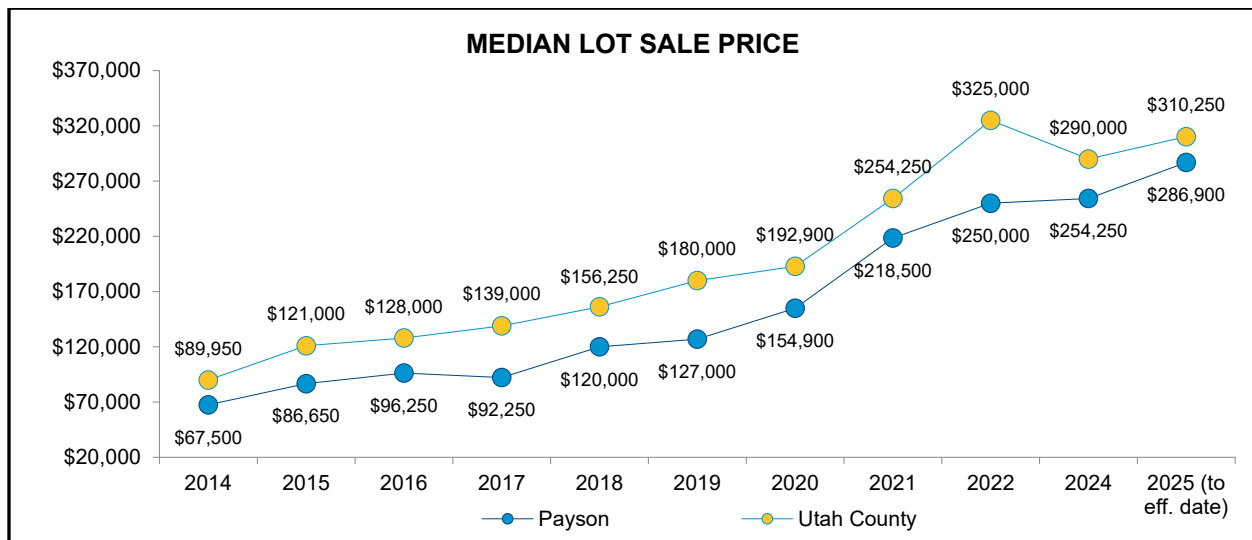
LOT PRICES & SALES (UP TO 1 ACRE, 2014 - YTD JUNE 2025)

Year	Payson, Salem, Santaquin			Utah County		
	Median Price	No. Sold	Median CDOM	Median Price	No. Sold	Median CDOM
2014	\$67,500	61	177	\$89,950	334	98
2015	\$86,650	40	61	\$121,000	251	97
2016	\$96,250	58	125	\$128,000	303	148
2017	\$92,250	72	71	\$139,000	317	93
2018	\$120,000	99	91	\$156,250	378	101
2019	\$127,000	75	144	\$180,000	346	93
2020	\$154,900	123	128	\$192,900	506	126
2021	\$218,500	86	39	\$254,250	432	28
2022	\$250,000	75	42	\$325,000	301	36
2023	\$249,500	66	61	\$300,000	269	74
2024	\$254,250	102	90	\$290,000	321	89
2025 (to eff. date)	\$286,900	59	215	\$310,250	135	128

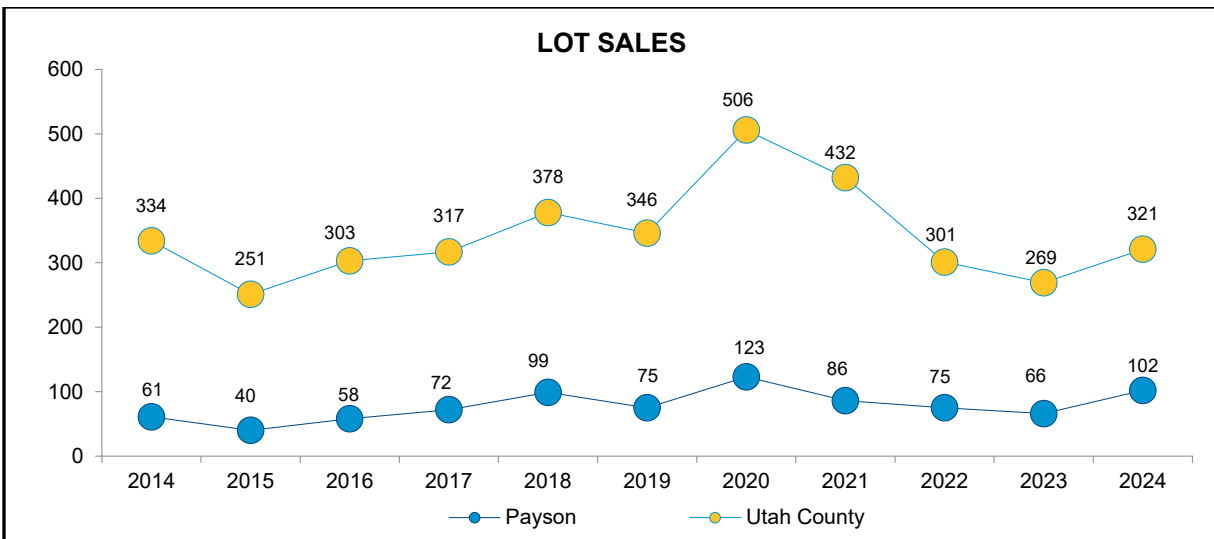
CDOM = Combined Days On Market

Source: Wasatch Front Regional MLS

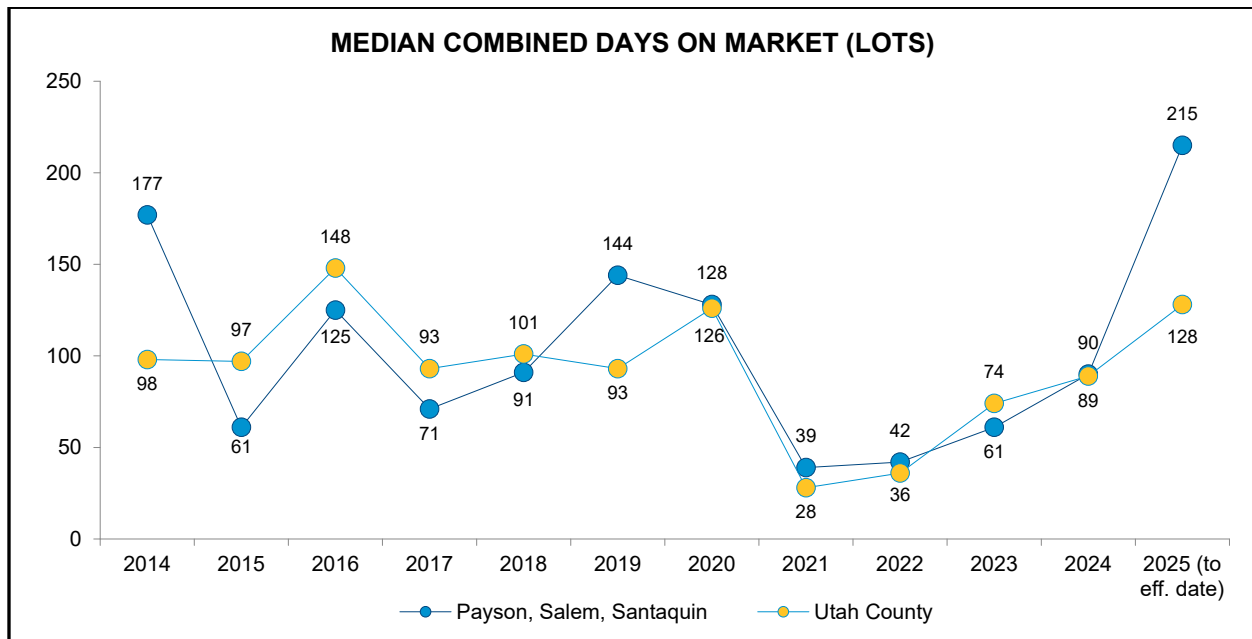
Median lot sale prices increased year over year through 2022. The county reached a ten-year high in 2022 with a median lot price of \$325,000. The city reached a ten-year high in 2022 with a median lot price of \$239,000.



In Utah County, the number of lot sales peaked during 2020 with 506 lot sales. The Payson area experienced a ten-year high in 2020 with 123 lot sales. Lot sales declined through 2023 but have since bottomed and began increasing.



The chart below indicates the median CDOM for lot sales of the city and county.



Inventory (Supply)

The amount of inventory or supply has played a major part in the residential home and lot market over the past few years throughout the region. The following table summarizes the current number of homes and lots on the market in Utah County and the Payson area (Payson, Salem and Santaquin). There are currently 2,163 homes listed on the market in Utah County with 100 of those homes in Payson, according to the local MLS. There are 312 lots listed on the market in Utah County with 102 of those located in Payson, Salem and Santaquin. There are currently 833 townhomes listed for sale in Utah County with 15 of those located in Payson.

ACTIVE LISTINGS		
	Payson	Utah County
Single-Family Homes	100	2,163
Land/Lots	102	312
Townhomes	15	833
Total	217	3,308
Source: Wasatch Front Regional MLS		

Conclusion

Prices are expected to continue rising in Utah County over the forecast horizon, driven by strong population growth, sustained housing demand, and limited available land in more central parts of the county. Utah County remains one of the fastest-growing counties in the state, supported by a robust regional economy, a young demographic profile, and ongoing infrastructure investment.

Within this context, Payson is positioned as an increasingly attractive location for future development, particularly as development pressure pushes outward from more built-out areas such as Orem, Provo, and Spanish Fork. While the western areas of Payson, including the subject property, remain largely rural and lack full utility infrastructure, they are anticipated to experience gradual development over the longer term as the city continues to grow westward in accordance with its general plan.

As more subdivisions are approved and new homes are constructed in and around Payson, demand for rural residential land with development potential is expected to increase, especially for parcels located near planned road corridors or annexation areas. While current development constraints—such as road capacity and lack of municipal utilities—limit immediate demand for the subject, its location in a designated growth area suggests that its long-term value will benefit from the broader upward pressure on land prices in Utah County.

Transaction Trends

In the open market, the subject property would most likely attract interest from local owner-users seeking a combination of rural residential living and agricultural utility. The most probable buyer is an individual or family looking to build a single-family home on a large lot, with space for hobby farming, animal keeping, or other small-scale agricultural activities permitted under the A-5-H zoning. These buyers are typically long-term holders who value privacy, open space, and self-sufficiency, and may already reside in the region or have ties to the local community.

Given the property's location on the western fringe of Payson, where infrastructure and development are still limited, it is less likely to appeal to short-term investors or speculative developers in the near term. However, buyers may be drawn by the property's future development potential, particularly if they are familiar with the city's long-term growth plans and road corridor preservation efforts. Interest would most likely come from individuals already familiar with large-lot rural properties, including landowners, small-scale agricultural operators, or residents relocating from more developed parts of the county in search of lower density and more affordable acreage.

Subject Property Analysis

The subject property has moderate buyer appeal and is considered to have an average competitive position in the local market. Its size and legal access make it suitable for rural residential use on a five-acre lot, consistent with A-5-H zoning. Located on the western edge of Payson, the property lacks municipal utilities and sits in an area with limited development activity, which may deter some buyers but aligns with typical demand for large-lot residential or agricultural use. While it offers some speculative long-term potential, its near-term appeal is primarily to owner-users seeking rural living with space for small-scale agriculture.

Introduction

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant.

As-Vacant Analysis – Before Condition

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The subject property is located within the A-5-H (Annexation Holding Zone) in Payson, Utah. This zoning designation serves as a transitional zone for land that is expected to be annexed into the city and potentially rezoned for higher-intensity uses in the future. Until such time, the A-5-H zone permits low-density rural residential and agricultural uses, with a minimum lot size of five acres. No zoning variances or entitlements are currently in place, and the site does not have access to municipal utilities. Therefore, legally permissible uses currently are limited to agricultural activities and single-family residential use on large lots.

Physical & Locational Factors

The subject's larger parcel comprises approximately 5.5506 acres of level land, with frontage along an existing improved county road. The property has legal access; however, the existing roadway is a county road that does not meet the design standards required for higher-intensity development. For the property to be rezoned and developed to a more intensive urban use, the road would need to be widened, improved, and formally dedicated as a city street. In addition, municipal utilities such as culinary water and sewer are not currently extended to the property. City infrastructure is east of the Union Pacific railroad tracks, which limits near-term infrastructure connectivity and contributes to the area's slower development timeline. As currently configured, the property is physically suitable for agricultural use or single-family residential development consistent with the A-5-H zoning designation, which requires a minimum five-acre lot size.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. In its current condition, the site lacks the infrastructure and entitlement necessary to support immediate urban development. The cost of extending utilities and overcoming access constraints would not be supported by current land values in this area. While there may be long-term development potential, near-term financial feasibility is limited to continued use for agricultural operations or low-density residential use consistent with existing zoning and infrastructure.

As-Vacant Conclusion – Before Condition

Based on the previous discussion, the highest and best use of the subject's larger parcel, as if vacant, is single-family residential on a minimum five-acre lot combined with agricultural uses, with speculative value tied to potential future development.

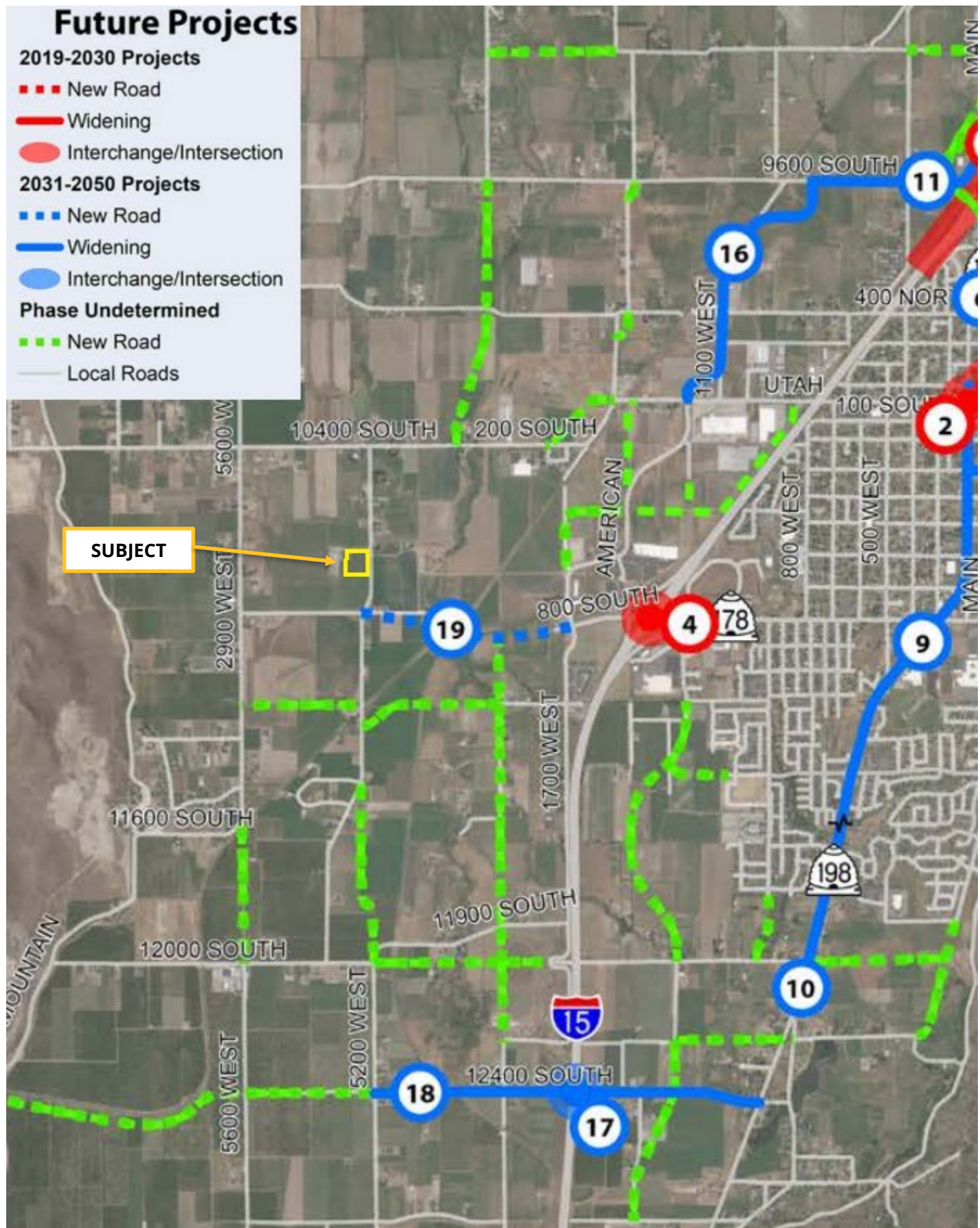
As-Vacant Analysis – After Condition

In the after condition, the subject's usable site is reduced from 241,784 to 213,613, or 11.7% smaller than in the before condition. The site is commensurate with other similar rural residential/agricultural properties with average/fair access and average/fair exposure. In the after condition, the site will have no change in frontage because while the road corridor is being preserved, road improvements are not planned to be installed in the foreseeable future. We conclude that the highest and best use of the site as-if vacant remains unchanged in the after condition.

Improvements In The Manner Proposed

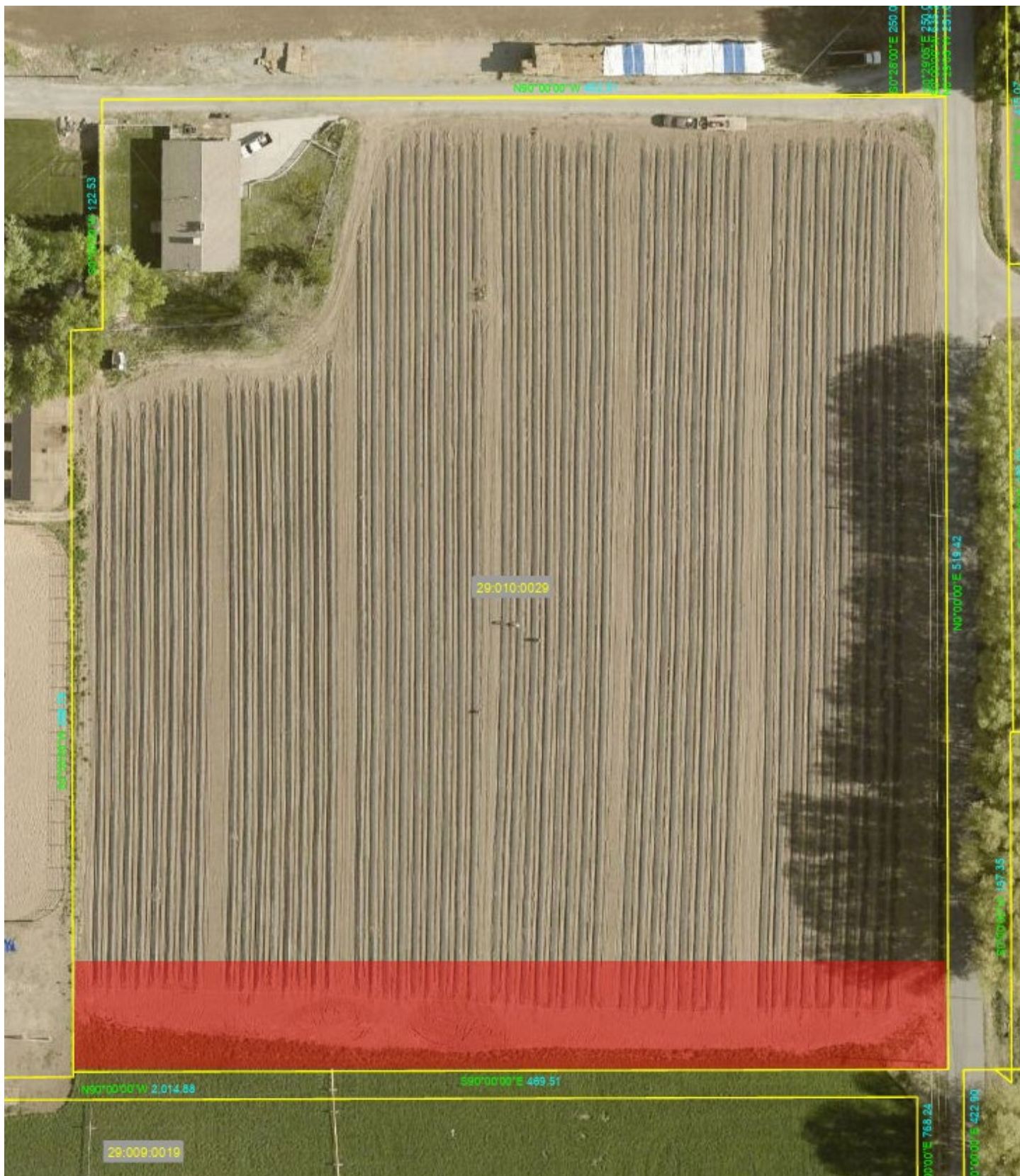
At the time of this appraisal, Payson City's road project affecting the subject's larger parcel remains conceptual and unplanned. The project is not identified in the City's current Transportation Master Plan, and no engineering designs, alignment studies, or construction timelines have been prepared. The purpose of this assignment is limited to corridor preservation, and the only information provided by the City is that the area to be acquired consists of the southern 60 feet of the parcel. Based on the City's long-range plans, other roadways in this area are not projected for development until the 2031–2050 horizon, indicating that actual construction could be as far as 20 to 25 years in the future. As such, the proposed partial taking has no immediate effect on the site's physical functionality or near-term marketability, and the road's eventual location, design, and timing remain uncertain.

The exhibit below is taken from the Payson Transportation Master Plan. It shows the subject's larger parcel as being just north of "Project #19" which will extend 800 South eastward from 1700 West and will ultimately connect to 2400 West about 750 feet south of the subject's larger parcel. The Master Plan designates this project as part of Phase 2, which is anticipated to occur between 2031 and 2050.



Project Overview – Subject Larger Parcel

No exhibit of the proposed partial fee taking was provided in connection with this assignment, and according to Payson City, no such exhibit exists yet. At the time of this appraisal, no survey or legal description of the proposed partial fee acquisition has been provided. The only information made available by the client is that the area to be acquired consists of the southern 60 feet of the subject parcel. Without a legal description or survey, our analysis assumes a uniform 60-foot-wide strip extending along the full southern boundary of the property. Our estimated size of the partial taking area is based on multiplying the parcel plat's reported width of 469.51 feet and multiplying it by 60 feet. Any deviation from this assumption could impact the final valuation and conclusions of this report. It is an extraordinary assumption of this report that our estimated size of the partial taking area is accurate and sufficient in size, shape and utility for its intended use. The exhibit below shows our estimate of the approximate location of the proposed fee taking, which is highlighted in red.



The Parts Taken

To preserve right-of-way for a potential future road project, Payson City is seeking to acquire a portion of the subject's larger parcel. While no specific road design or construction timeline has been established, the City has identified a 60-foot-wide strip along the southern edge of the property for corridor preservation purposes. We were not provided with an ALTA survey, title report, or legal description, and therefore the presence and location of any existing easements or encumbrances within the taking area are unknown. Based on the parcel plat's reported width, the estimated size of the acquisition area is approximately 28,171 square feet, or 0.647 acre. This estimate is used solely for the purpose of this valuation and is subject to revision upon receipt of a formal survey or legal description.

The Remainder Parcel

In the after condition, the subject site is reduced from 241,784 to 213,613, or 11.7% smaller than in the before condition.

Following the partial acquisition, the subject's remainder parcel will contain less than five acres, which is below the minimum lot size required under the A-5-H (Annexation Holding) zoning designation. However, because the size reduction results from a public acquisition, it is assumed the remainder will be treated as a legal nonconforming parcel and will retain its eligibility for residential development under existing zoning. This assumption is critical to the conclusion that the highest and best use remains rural residential and agricultural in character. This is identified as an extraordinary assumption of the appraisal.

In the after condition, the site is commensurate with other similar rural residential/agricultural properties with average/fair access and average/fair exposure. The site will have no change in frontage because while the road corridor is being preserved, road improvements are not planned to be installed in the foreseeable future.

Introduction

The following presentation of the appraisal process deals directly with the valuation of the subject property. The As-Is Fair Market Value of the subject's fee simple interest is estimated using the Sales Comparison Approach, which is recognized as the standard appraisal technique for residential/agricultural land. The Cost and Income Capitalization Approaches are not applicable when valuing unimproved land and are therefore excluded. Their exclusion is not detrimental to the reliability or credibility of the final value conclusion.

Value In The Before Condition

The following paragraphs describe the standard approaches to value that were considered for this portion of the analysis.

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Methodology

The appraisal of the subject is a complex assignment as it involves a partial take analysis. The following is a basic outline of our valuation process:

- › Value the land in Larger Parcel, using the Sales Comparison Approach (Land Valuation).
- › Value the permanent parts taken as part of the whole. Value any easements taken as part of the whole. Calculate the value of the remainder as part of the whole.
- › Value the remainder property in the after condition.
- › Compare the value of the remainder as part of the whole with the value of the remainder in the after condition to calculate severance damages, if any.
- › Consider project benefits (if any) and calculate net severance damages (if any).
- › Calculate the temporary loss of use of the property during construction (if any).
- › Compile a final estimate of the fair market value of the parts taken, including all of the above.

Introduction

As previously discussed within the Valuation Methods section, the subject’s larger parcel is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

Unit Of Comparison

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

Comparable Selection

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

Adjustment Process

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

Market Conditions Adjustment			
Per Year As Of	June 2025	(As-Is)	2%

The analysis applies an upward market conditions adjustment of 2% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

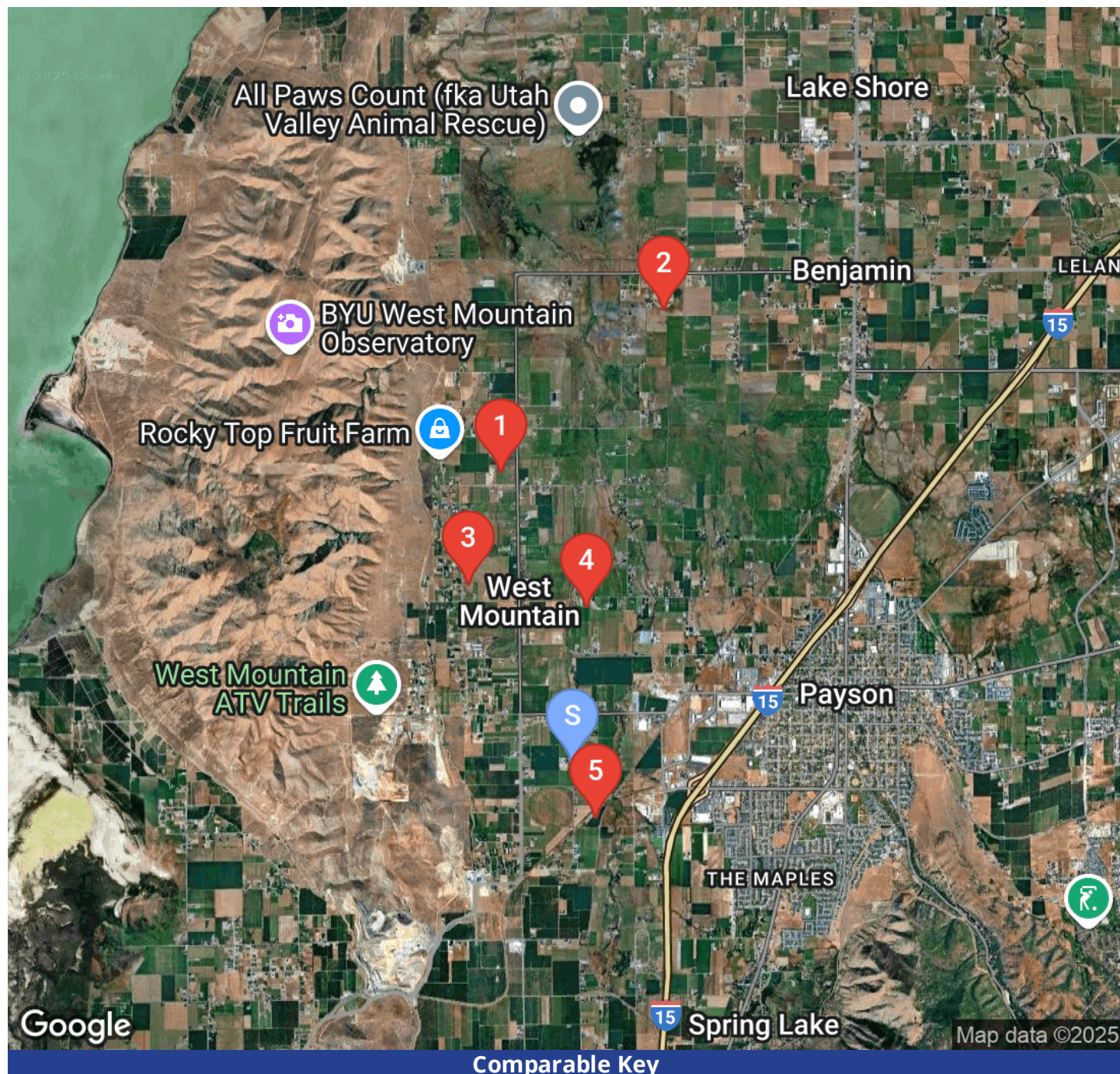
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

Land Valuation Presentation

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

Land Sales Summation Table						
Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Corridor Preservation Parcel 29-010- 0029	Unincorporated Payson	Benjamin Land	Unincorporated Payson	Unincorporated Payson	West Payson Land
Address	594 South 2400 West	5630 W 8800 S	7551 S Miracle	9550 S 6000 W	5289 W 9600 S	11000 South 2400 West
City	Payson	Payson	Benjamin	Payson	Payson	Payson
State	UT	UT	UT	UT	UT	UT
Zip	84651	84651	84660	84651	84651	84651
County	Utah	Uintah	Utah	Utah	Utah	Utah
APN	29-010-0029	65-702-0003	51-743-0012	35-313-0001	37-157-0006	29-012-0015
Physical Information						
n	241,784	245,242	229,561	230,432	304,920	507,474
e	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair
lity Rating	Generally Average	Rectangular Average	Irregular Average	Rectangular Average	Rectangular Average	Rectangular Average
Sale Information						
		5/5/2025	4/14/2025	2/7/2025	4/24/2024	6/30/2023
		Recorded	Recorded	Recorded	Recorded	Recorded
ransferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
tion Price		\$610,000	\$630,000	\$575,000	\$670,200	\$787,500
s Price		\$610,000	\$630,000	\$575,000	\$670,200	\$787,500
nd		\$2.49	\$2.74	\$2.50	\$2.20	\$1.55

Land Sales Location Map



Comp	Distance	Address	Sale Date	Acres	SF	\$/Acre
Subject	-	594 South 2400 West, Payson, UT	-	5.6	241,784	-
No. 1	2.7 Miles	5630 W 8800 S, Payson, UT	5/5/2025	5.6	245,242	\$2.49
No. 2	4.1 Miles	7551 S Miracle, Benjamin, UT	4/14/2025	5.3	229,561	\$2.74
No. 3	1.8 Miles	9550 S 6000 W, Payson, UT	2/7/2025	5.3	230,432	\$2.50
No. 4	1.4 Miles	5289 W 9600 S, Payson, UT	4/24/2024	7.0	304,920	\$2.20
No. 5	0.5 Miles	11000 South 2400 West, Payson, UT	6/30/2023	11.7	507,474	\$1.55

Comparable 1

Location Information

Name Unincorporated Payson
Address 5630 W 8800 S
City, State, Zip Code Payson, UT, 84651
County Uintah
MSA Provo-Orem, UT
APN 65-702-0003

Sale Information

Buyer Jared Franklin
Seller LSC Real Estate LLC
Transaction Date 05/5/2025
Transaction Status Recorded
Transaction Price \$610,000
Analysis Price \$610,000
Recording Number 32817-2025
Rights Transferred Fee Simple
Financing Conventional
Conditions of Sale Arms-Length
Marketing Time 4 Months

Physical Information

Intended Use Single-Family Residential
Location Fair/Average
Site Size (Net) 5.63 Acres (245,242 SF)
Site Size (Gross) 5.63 Acres (245,242 SF)
Zoning RA-5
Density One unit per 5 acres
Shape Rectangular
Topography Level
Access Fair/Average
Exposure Fair/Average
Corner No
Utilities Yes



Unincorporated Payson

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$108,348	\$2.49	\$610,000
Net	\$108,348	\$2.49	\$610,000

Confirmation

Name Sandee Carson
Company R and R Realty
Source CRMLS
Date / Phone Number 06/21/2025 801-787-8815

Remarks

This is a lot in a rural residential neighborhood in unincorporated Utah County northwest of Payson. The lot has power and gas stubbed to the lot. It included 11.26 share of Strawberry Irrigation water and .45 acre feet of culinary water with a well permit.

Comparable 2

Location Information

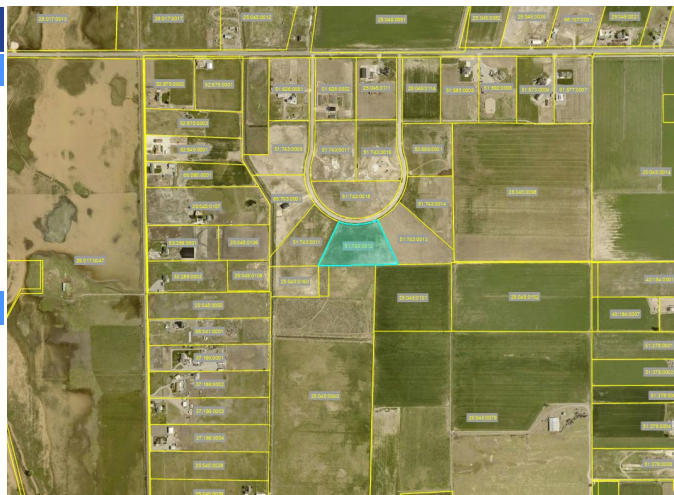
Name Benjamin Land
Address 7551 S Miracle
City, State, Zip Code Benjamin, UT, 84660
County Utah
MSA Provo-Orem, UT
APN 51-743-0012

Sale Information

Buyer Darin Fairbanks
Seller Stephen Richards
Transaction Date 04/14/2025
Transaction Status Recorded
Transaction Price \$630,000
Analysis Price \$630,000
Recording Number 26428-2025
Rights Transferred Fee Simple
Financing Cash at Settlement
Conditions of Sale Arms-Length
Marketing Time 2 Months

Physical Information

Intended Use Single-Family Residential
Location Fair/Average
Site Size (Net) 5.27 Acres (229,561 SF)
Site Size (Gross) 5.27 Acres (229,561 SF)
Zoning RA-5
Density One unit per 5 acres
Shape Irregular
Topography Level
Access Fair/Average
Exposure Fair/Average
Corner No
Utilities Yes



Benjamin Land

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$119,545	\$2.74	\$630,000
Net	\$119,545	\$2.74	\$630,000

Confirmation

Name David Simpson
Company Landmark Real Estate
Source CRMLS
Date / Phone Number 06/21/2025 801-376-1966

Remarks

This property is in an unincorporated area of Utah County known as Benjamin. It carries county zoning RA-5 which allows single family homes on five acre lots and agriculture. This property had power and gas connected to the site. It included nine acre-feet of water shares and and culinary water through a well.

Comparable 3

Location Information

Name	Unincorporated Payson
Address	9550 S 6000 W
City, State, Zip Code	Payson, UT, 84651
County	Utah
MSA	Provo-Orem, UT
APN	35-313-0001

Sale Information

Buyer	Jared Ellison
Seller	Jeffrey Dumas
Transaction Date	02/7/2025
Transaction Status	Recorded
Transaction Price	\$575,000
Analysis Price	\$575,000
Recording Number	8816-2025
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length
Marketing Time	1 Months

Physical Information

Intended Use	Agriculture
Location	Fair/Average
Site Size (Net)	5.29 Acres (230,432 SF)
Site Size (Gross)	5.29 Acres (230,432 SF)
Zoning	RA-5
Shape	Rectangular
Topography	Level
Access	Fair/Average
Exposure	Fair/Average
Corner	No
Utilities	No



Unincorporated Payson

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$108,696	\$2.50	\$575,000
Net	\$108,696	\$2.50	\$575,000

Confirmation

Name	Eric Moss
Company	Equity Real Estate
Source	CRMLS
Date / Phone Number	06/21/2025 801-669-0383

Remarks

This property is in unincorporated Utah County west of Payson. Power and gas are connected to the site and it has a well. A septic system will be required to build a home.

Comparable 4

Location Information

Name	Unincorporated Payson
Address	5289 W 9600 S
City, State, Zip Code	Payson, UT, 84651
County	Utah
MSA	Provo-Orem, UT
APN	37-157-0006

Sale Information

Buyer	Margie Murphy
Seller	RCA Properties
Transaction Date	04/24/2024
Transaction Status	Recorded
Transaction Price	\$670,200
Analysis Price	\$670,200
Recording Number	28448-2024
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length
Marketing Time	1 Months

Physical Information

Intended Use	Agriculture
Location	Fair/Average
Site Size (Net)	7.00 Acres (304,920 SF)
Site Size (Gross)	7.00 Acres (304,920 SF)
Zoning	RA-5
Density	One unit per 5 acres
Shape	Rectangular
Topography	Level
Access	Fair/Average
Exposure	Fair/Average
Corner	No
Utilities	No



Unincorporated Payson

Analysis Information

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$95,743	\$2.20	\$670,200
Net	\$95,743	\$2.20	\$670,200

Confirmation

Name	Trevor Lanham
Company	BHG Momentum
Source	CRMLS
Date / Phone Number	06/21/2025 801-588-9814

Remarks

This property is in unincorporated Utah County northwest of Payson. The zoning allows single family homes on a minimum lot size of one acre. The sale included 14 acre-feet of irrigate water. Power is available. A well needs to be dug and a septic system installed.

Comparable 5

Location Information

Name West Payson Land
Address 11000 South 2400 West
City, State, Zip Code Payson, UT, 84651
County Utah
MSA Provo-Orem, UT
APN 29-012-0015

Sale Information

Buyer Eric Riddle
Seller Shane W. Hansen
Transaction Date 06/30/2023
Transaction Status Recorded
Transaction Price \$787,500
Analysis Price \$787,500
Recording Number 42813-2023
Rights Transferred Fee Simple
Financing Cash at Settlement
Conditions of Sale Arms-Length
Marketing Time 2 Months

Physical Information

Intended Use Agriculture
Location Fair/Average
Site Size (Net) 11.65 Acres (507,474 SF)
Site Size (Gross) 11.65 Acres (507,474 SF)
Zoning A-5-H
Density One unit per 5 acres
Shape Irregular
Topography Flat
Access Fair
Exposure Fair/Average
Corner No
Utilities No



West Payson Land

Analysis Information

Price	\$/Acre	\$/SF	\$/Unit
Gross	\$67,597	\$1.55	\$787,500
Net	\$67,597	\$1.55	\$787,500

Confirmation

Name Camille Ryan
Company Keller Williams
Source Seller's Broker
Date / Phone Number 06/19/2025 +1 801 310 1094

Remarks

This property is in the annexation holding zone in Payson City. It does not directly front an improved street, but has legal access on a semi-improved driveway that is adequate to split the site into two lots, which is what the buyer intended to do. Power is available to the site, but it will need a well and septic tank. The sale included 20 acre-feet of Strawberry Water.

Land Sales Adjustment Table

Comparable	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	594 S 2400 W	5630 W 8800 S	7551 S Miracle	9550 S 6000 W	5289 W 9600 S	11000 South 2400 West
City	Payson	Payson	Benjamin	Payson	Payson	Payson
APN	29-010-0029	65-702-0003	51-743-0012	35-313-0001	37-157-0006	29-012-0015
	241,784	245,242	229,561	230,432	304,920	507,474
Sale Information						
		5/5/2025	4/14/2025	2/7/2025	4/24/2024	6/30/2023
		Recorded	Recorded	Recorded	Recorded	Recorded
Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
s Price		\$610,000	\$630,000	\$575,000	\$670,200	\$787,500
±		\$2.49	\$2.74	\$2.50	\$2.20	\$1.55
Transactional Adjustments						
Property Rights		0%	0%	0%	0%	0%
Engineering		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Features After the Sale		0%	0%	0%	0%	0%
Conditions¹		0%	0%	1%	2%	4%
Final Transactional Adj Price		\$2.49	\$2.74	\$2.53	\$2.24	\$1.61
Property Adjustments						
Location	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
Adjustment		0%	0%	0%	0%	0%
	241,784	245,242	229,561	230,432	304,920	507,474
Adjustment		0%	-1%	-1%	6%	19%
Exposure	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average
Adjustment		0%	0%	0%	0%	0%
Access	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair/Average	Fair
Adjustment		0%	0%	0%	0%	5%
Shape	Rectangular	Rectangular	Irregular	Rectangular	Rectangular	Irregular
Adjustment		0%	0%	0%	0%	10%
Utilities	Power	Power/Gas	Power/Gas	Power/Gas	Power	Power
Adjustment		-5%	-5%	-5%	0%	0%
Speculative Potential	Moderate	Low	Low	Low	Low	Moderate
Adjustment		5%	5%	5%	5%	0%
External Influence	Typical	Typical	Typical	Typical	Typical	RR Tracks
Adjustment		0%	0%	0%	0%	20%
Final Property Adjustment		0%	-1%	-1%	11%	54%
Adjusted Price		\$2.50	\$2.71	\$2.50	\$2.48	\$2.48
±	<u>Unadjusted</u>	<u>Adjusted</u>				
	\$1.55	\$2.48				
	\$2.74	\$2.71				
	\$2.49	\$2.50				
±	\$2.30	\$2.53				

¹ Conditions Adjustment: 2%

Value (for adjustment calculations): 6/19/25

Land Sales Analysis

Introduction

The comparable land sales indicate an adjusted value range from \$2.48 to \$2.71/SF, with a median of \$2.50/SF and an average of \$2.53/SF. The range of total gross adjustment applied to the comparables was from 10% to 58%, with an average gross adjustment across all comparables of 21%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible opinion of land value. The adjustment process for each comparable land sale is discussed in the following paragraphs.

Property Adjustments

Location

The comparable sales are all in relatively similar locations in west Payson, and unincorporated Utah County west and northwest of Payson. In general, rural residential/agricultural land throughout this area is all roughly equal in location quality.

Size

In markets where a reasonable supply of vacant development land is available, large parcels typically have a lower value per square foot or per acre than smaller parcels of the same quality. A large parcel generally has a smaller pool of potential buyers. It can have a longer potential absorption period, and may therefore have greater perceived investment risk. Size does have less of an impact on price in mature locations where land is relatively scarce. Based on an analysis of the sales, we conclude land prices in this market decline about 15% each time the size is doubled. The adjustments are made on that basis.

Access

The subject is on an improved county road with adequate access for uses within agricultural zoning such as agriculture or to develop lots with a minimum size of five acres. The comparable sales are all very similar in this regard. The exception is Comparable 5 which is not on a county road, but is instead accessed by a semi-improved driveway. It is adjusted upward for inferior access.

Shape

The subject and the majority of the comparable sales are rectangular or mostly rectangular in shape. The exception is Comparable 5 which is a relatively narrow, somewhat triangular shape. Because of its shape, despite its size, subdividing the property for the development of two single family homes may not be feasible or the configuration of the two sites may be awkward or less than ideal. It is adjusted upward for irregular shape.

Utilities

The subject has power connected to the site and a private well for culinary water. Comparables 4 and 5 are similar in this regard. Comparables 1, 2 and 3 have natural gas lines at the site and are adjusted downward.

Speculative Potential

The subject is in Payson City's A-5-H (Annexation Holding Zone) and is in the path of development within Payson City. However, it is located west of existing railroad lines, which city officials and market participants report will be costly to extend city infrastructure over so are an impediment immediate development of the subject's immediate area. Comparable 5 is also located near the subject, in Payson City's A-5-H zone and so is very similar in terms of the speculative potential in that regard. The remaining comparables are in unincorporated Utah County and are further from any city infrastructure. They are adjusted upward for inferior speculative potential.

External Influence

The subject and majority of comparable sales are surrounded by rural agricultural land, farms, barns and single family homes on large acreages. Comparable 5 has railroad tracks on both the east and west side of the property which

Land Valuation – Before Condition

negatively impacts its appeal as a rural single family home site. It is adjusted upward for this negative external influence.

Calculation of Value

The comparable land sales indicate an adjusted value range from \$2.48 to \$2.71/SF, with a median of \$2.50/SF and an average of \$2.53/SF. Based on the results of the preceding analysis, Comparable 1 (\$2.50/SF adjusted) and Comparable 5 (\$2.48/SF adjusted) are given primary consideration for the subject's opinion of land value. Comparable 1 is a recent sale of a very comparable ~5-acre piece of property in west Payson. Comparable 6 is the oldest sale but is the best comparison in terms of speculative potential; it is in Payson's A-5-H zone like the subject and is a similar distance from development.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

Calculation of Land Value								
Comp	Analysis	Adjustment				Net	Gross	Overall
	Price	Transactional ¹	Adjusted	Property ²	Final	Adj %	Adj %	Comparison
1	\$2.49	0%	\$2.49	0%	\$2.50	0%	10%	Primary
2	\$2.74	0%	\$2.74	-1%	\$2.71	-1%	11%	Secondary
3	\$2.50	1%	\$2.53	-1%	\$2.50	0%	12%	Secondary
4	\$2.20	2%	\$2.24	11%	\$2.48	13%	13%	Secondary
5	\$1.55	4%	\$1.61	54%	\$2.48	60%	58%	Secondary
Low	\$2.48					Average		\$2.53
High	\$2.71					Median		\$2.50
Component			SUBJECT SF		\$/SF Conclusion		Value	
Total Property			241,784	x	\$2.50	=	\$604,460	

¹Cumulative ²Additive

Rounded to nearest \$1

Land Value Conclusion – Larger Parcel

The Sales Comparison Approach was utilized for valuation of the subject site, as it best reflects the decision-making of buyers and sellers of rural residential/agricultural land in the local marketplace. The purpose of this section of the appraisal is to develop an opinion of the Fair Market Value of the subject's larger parcel. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

Analysis of Value Conclusions	
Valuation Indices	Fair Market Value
Interest Appraised	Fee Simple
Date of Value	June 19, 2025
Larger Parcel Value Conclusion	\$604,460
\$/SF	\$2.50

The purpose of the land value above is to be used in the following analysis; accordingly, it has not been rounded. This is typical for a right-of-way assignment which typically requires the rounding is done only for the final determination of just compensation.

Introduction To After Analysis

The first step in determining the just compensation associated with the parts taken is to estimate the contributory value of the parcel being acquired as part of the larger parcel. This is the land value of the fee taking, plus the depreciated value of any improvements.

The value of the easements must then be determined. Placement of an easement on a property generally reduces its market value, because property rights have been lost. The value of an easement is generally considered to be some portion of underlying market value.

The next step in the analysis is to determine the net damages, if any, that accrue to the remainder by reason of the taking and the construction of the project in the manner proposed. This analysis involves determining the value of the remaining property before and after the taking. The difference between the value of the remainder in the before condition, and the value of the remainder in the after condition, represents the loss in value that accrues to the remaining property by reason of the taking and the construction of the project in the manner proposed.

Severance damages that are calculated are then offset by project benefits, if any. Aspects of the project that provide an increase in value that is unique to a particular property may be considered special benefits. In the state of Utah, special benefits can offset damages to the remainder, but cannot offset the part taken. If mitigation costs are required to negate potential severance damages, they are included as part of the value of the property rights to be acquired and considered to be curable severance damages.

Finally, the owner must be compensated if there is a time period in which he loses the partial or entire use of the property. This includes the value of any temporary construction easements.

Value Of The Parts Taken

The following analysis is based on the data and conclusions from the preceding valuation analyses. The parts taken are initially valued as a portion of the whole. That is, for the area reflecting a fee acquisition, the value is allocated on a proportionate basis according to the value of the underlying land area affected.

The area taken for the project (the fee taking) represents a full fee taking of the designated area. The owner is deprived of all use of the land. Accordingly, the area required for the fee taking contributes to the overall property value at 100% of fee simple interest. Below is the breakdown of the land and building area (if any) that is being taken and remaining.

PARTS TAKEN BREAKDOWN			
	TOTAL SF	TAKEN SF	REMAINING SF
Land Area - Fee Simple	241,784	28,171	213,613
TOTAL	241,784	28,171	213,613

*Easements are portions of the bundle of rights and are therefore not deducted; if included, they will be addressed later in the report

Site Value

The site area for the parts taken totals 28,171 square feet. The overall site value on a price per square foot basis is \$2.50. In this analysis, we applied the overall price per square foot to the taken areas the site in its after condition continues to have a similar utility. Accordingly, a "zones of value" approach to the site valuation is not warranted.

This appraisal is based on the extraordinary assumption that our estimated size of the fee acquisition area is accurate despite the absence of a legal description or survey. If this assumption proves to be inaccurate, the opinions of value stated herein may require revision.

Site Improvements

At the time of inspection, the site was planted with row crops and improved with a temporary drip irrigation system laid beneath plastic tarp. This system is considered personal property rather than a permanent site improvement, as it is not permanently affixed to the land. However, a partially buried pump serving the irrigation system was observed

Value Of The Parts Taken

on the site. Because the pump is a fixed mechanical component integral to water delivery, it is considered a site improvement. This pump will need to be relocated approximately 60 feet to the north due to the acquisition and is addressed further below in the Cost-to-Cure section.

Total Contributory Value Of The Parts Taken

The following table summarizes the contributory value of the parts taken:

TOTAL VALUE OF PART TAKEN			
	SF	\$/SF	INDICATED VALUE
Land Value of the Fee Take	28,171 x	\$2.50 =	\$70,428
Site Improvements Value of the Fee Take			\$0
TOTAL PARTS TAKEN			\$70,428

Value of The Remainder As Part Of The Whole

The value of the taking deducted from the value of the property in the before condition results in the value of the remainder parcel as a part of the whole:

TOTAL VALUE OF REMAINDER AS PART OF THE WHOLE		INDICATED VALUE
Total Value of the Subject in Before Condition		\$604,460
Total Value Parts Taken		\$70,428
TOTAL VALUE OF THE REMAINDER AS PART OF THE WHOLE		\$534,033

The above figure is used for comparison purposes (with the value of the remainder in the after condition) as the method for estimating severance damages to the remainder.

Value Of The Remainder In The After Condition

The remainder property in the after condition will have generally the same character as in the before condition. The land will total 213,613 square feet, or an 11.7% decrease in size. Based upon the discussion in the Highest and Best Use section of this report, the remainder parcel will have similar access, exposure, topography, overall functionality and the same highest and best use as in the before condition. As a result, the same land sales serve as the basis for valuation of the remainder property in the after condition.

The concluded land value was \$2.50/SF and analyzing the same land sales for the remainder site in the after condition results in the same per square foot conclusion. Therefore, the unencumbered land value in the after condition is \$534,033 (213,613 x \$2.50/SF). The total value of the remainder is then calculated by subtracting any severance damages and costs-to-cure, which is explained below.

VALUE OF REMAINDER IN THE AFTER CONDITION					INDICATED VALUE
	SF		\$/SF	% ALLOCATION	
Land Value - Fee Simple	213,613	x	\$2.50	100%	=
VALUE OF THE REMAINDER IN THE AFTER CONDITION					\$534,033

Severance Damages

In addition to the parts taken, the owner is entitled to net damages to the remainder property. Damages are a decrease in the value of the remainder caused by severance (separation) from the part taken, or by the construction the condemnor proposes on the part taken.

Incurable Severance Damages

If the value of the remainder in the after condition is less than the value of the remainder as a portion of the whole, the property suffers permanent severance damages. Alternatively, if the value of the remainder in the after condition

is greater than the value of the remainder as a portion of the whole, the property enjoys benefits reflected in an increase in value. Special benefits can offset damages to the remainder, but cannot offset the part taken.

As previously discussed, There is no current road construction project planned, designed, or funded, and no physical changes to the property are expected in the foreseeable future. The remainder will continue to have similar access, topography, functionality, and highest and best use as in the before condition. As such, the parcel retains its utility for rural residential and agricultural use in accordance with A-5-H zoning. Based on our analysis, we conclude that the partial acquisition does not result in any severance damages to the remainder parcel.

SEVERANCE DAMAGES	
	INDICATED VALUE
Remainder as a Portion of the Whole	\$534,033
Value of the Remainder in the After Condition	\$534,033
Incurable Severance Damages	\$0
Cost to Cure	\$5,265
TOTAL SEVERANCE DAMAGES	\$5,265

Cost To Cure

The acquisition requires relocating the partially buried irrigation pump approximately 60 feet to the north to maintain its function with the irrigation system. Moving the pump involves excavation and site preparation, disconnecting and reconnecting electrical and water lines, plumbing adjustments, pump testing, and site restoration.

No specific line item for irrigation pump relocation is included in Marshall & Swift. Instead, unit-in-place (UIP) costs for mechanical pump equipment, water-distribution utilities, trenching, piping, and electrical from UIP sections were compiled and adjusted using current and location multipliers. The estimated base expense to relocate the pump and associated irrigation improvements is approximately \$4,600.

A reasonable entrepreneurial incentive of 15% has been added to account for contractor overhead, profit, and risk, bringing the total estimated cost-to-cure to \$5,265.

COST TO CURE - PUMP RELOCATION								
SITE COMPONENT	COST SOURCE	SIZE/QTY		\$/UNIT		PROFIT 15%	TOTAL \$/UNIT	INDICATED VALUE
Trenching and Backfill (2'x2')	Marshall Valuation Service	60 x		\$2.64	+	\$0.40	\$3.04	\$182
4" Piping	Marshall Valuation Service	60 x		\$14.18	+	\$2.13	\$16.30	\$978
Electrical Extension	Marshall Valuation Service	60 x		\$27.82	+	\$4.17	\$31.99	\$1,920
Grading & Site Restoration	Marshall Valuation Service	240 x		\$0.42	+	\$0.06	\$0.48	\$115
Pump Removal & Installation	Marshall Valuation Service	1 x		\$1,800.00	+	\$270.00	\$2,070.00	\$2,070
TOTAL COST TO CURE								\$5,265

This cost represents the reasonable expense the property owner will incur to restore the irrigation system to a functional condition comparable to its pre-acquisition state.

Total severance damages and cost to cure the site improvements are subtracted from the value of the Remainder as a Portion of the Whole to arrive at the Value of the remainder in the After Condition.

SEVERANCE DAMAGES	
	INDICATED VALUE
Remainder as a Portion of the Whole	\$534,033
Value of the Remainder in the After Condition	\$534,033
Incurable Severance Damages	\$0
Cost to Cure	\$5,265
TOTAL SEVERANCE DAMAGES	\$5,265

Project Benefits

Project benefits reflect the enhanced value brought to a property as a result of the Project. In the state of Utah, special benefits can offset damages to the remainder, but cannot offset the part taken.

Special benefits are those which result directly and peculiarly to the particular tract of which a part is taken for a public improvement. Special benefits are ones that are direct, physical, proximate, actual, usable and certain. Physical change is defined as a construction of frontage roads, improved ingress and egress, improved drainage, or similar change in the property. An example of a special benefit would be where the remainder property has a new road providing access suitable for development of lots that it did not have before the taking.

The subject property has the same highest and best use in the before and after condition. At the time of this appraisal, the acquisition by Payson City is for road corridor preservation only. No specific construction project has been designed, scheduled, or funded. Because there is no immediate or measurable improvement to the subject property resulting from the partial taking, and no physical changes are expected in the foreseeable future, we conclude that no special benefits accrue to the remainder parcel in the after condition. As a result, there is no basis for applying an offset to any damages, nor is there a need to calculate or estimate project-related benefits.

Valuation Summary

On the preceding pages we have developed opinions pertaining to the subject property and the components of which are relevant to the parts taken and the impact of the project. A summary of the preceding discussion and analysis is presented below:

LAND VALUATION SUMMARY		
	VALUE OPINIONS	VALUE OF PROPERTY RIGHTS
Value of the Larger Parcel	\$604,460	
Fee Taking (inc. Site Imp.)	(\$70,428)	\$70,428
Perpetual Easement	\$0	\$0
Value of the Remainder as a Part of the Whole	\$534,033	
Value of the Remainder in the After Condition	\$534,033	
Incurable Severance Damages	\$0	
Cost to Cure	(\$5,265)	
Project Benefits	\$0	
Net Severance Damages	(\$5,265)	\$5,265
Temporary Construction Easement (TCE)	\$0	\$0
TOTAL FAIR MARKET VALUE OF PROPOSED PROPERTY AND RIGHTS TAKEN (ROUNDED)		\$75,700

We have rounded the value upward to the nearest \$100, which is appropriate given the magnitude of the valuation. Utah law does not specify how the value of property rights should be rounded.

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report has 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.
- Jake Jorgensen has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Kelly Tate, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The 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.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Jake Jorgensen personally inspected the property that is the subject of this report. Kelly Tate, MAI did not personally inspect the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraisers signing this certification.
- 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 Kelly Tate, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



Jake Jorgensen
Valuation Associate
Certified Residential Real Estate Appraiser
State of Utah License #7338339-CR00
+1 801 441 1202
jake.jorgensen@colliers.com

July 9, 2025

Date



Kelly Tate, MAI
Senior Valuation Services Director
Certified General Real Estate Appraiser
State of Utah License #8384882-CG00
+1 385 249 5444
kelly.tate@colliers.com

July 9, 2025

Date

This appraisal is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Professional Service Agreement



6440 South Millrock Drive, Suite 570
Salt Lake City, UT 84121
Direct: +1 385 249 5444
www.colliers.com/valuationadvisory

May 22, 2025

Kelly Tate, MAI
Senior Valuation Services Director
Direct: +1 385 249 5444
kelly.tate@colliers.com

Travis Jockumsen, PE
Public Works Director
Payson City
439 W Utah Avenue
Payson, Utah 84651
O: 801.465.5235
travisj@paysonutah.gov

RE: Payson City Corridor Appraisals

Dear Travis:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below-stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT **("Agreement")**

Project	Payson City Corridor ROW ("Property")
Location	744 S 1700 West Payson, UT 84651 & 594 S 2400 West Payson, UT 84651
Project Description	Utah County Parcel #51:622:0002 in its entirety and the southern 60-feet or so of Utah County Parcel #29:010:0029
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Mountainlands Association of Governments (MAG) (herein at times referred to as "Client")
Intended User	The intended users are Mountainlands Association of Governments (MAG), and Payson City to provide funds to the landowners to preserve future corridors. It should be noted that if this engagement is directly with the owner of the Property, the Appraisal will not be accepted by federally insured lenders due to FIRREA Compliance, limiting the use of this report. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended to assist to negotiate purchase for future road right of way. The report is not intended for any other use.
Purpose	Market Value

Professional Service Agreement

Continued

Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple
Date of Value	Date of inspection
Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.</p> <p>Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none"> › As-Is Market Value <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> › Land Value – Sales Comparison Approach and ROW Analysis <p>An observation of the subject property will be performed.</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	Four and a Half (4.5) weeks
Professional Fee	\$3,200 Each or \$6,400 Total
Expenses	Fees include all associated expenses
No. of Reports	<p>One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	<p>A 50% retainer is required.</p> <p><u>To Pay By Check:</u> Please remit all payments to Colliers International Valuation & Advisory Services 26791 Network Place Chicago, IL 60673-1267 **Please include the property name or address on the memo line**</p> <p><u>Wire Instructions:</u> JP Morgan Chase Bank, NA Chicago, IL 70-2322/719 Account Name: Colliers International Valuation & Advisory Services, LLC Account No. 899559074 ABA No. 021000021 ACH Payment Transit Routing Number: 071000013 Swift code for International Wires ONLY: CHASUS33 **Please include the property name or address in addenda/memo payment information**</p> <p>Please send notification to CIVASAccounting@colliers.com when payment has been sent.</p>
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety (Less Retainer) at the delivery of the draft report. When a full retainer has been paid, invoice and amount due are \$0.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of the draft report. If for any reason the client cancels the work before work was completed or for reasons beyond Colliers' control, then the client would pay for an agreed amount for work completed.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Professional Service Agreement

Continued

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- › Ownership history (purchase date and price)
- › Copy of the purchase agreement (if under contract for sale)
- › Copy of previous appraisal (if available)
- › Legal description (if available)
- › Any other information deemed pertinent to the appraisal
- › Property Contact _____

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language – Non-Lender Client

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Travis Jockumsen**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.



_____ Date: 5/22/2025

Travis Jockumsen
Payson City

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Kelly Tate, MAI
Senior Valuation Services Director
Direct: +1 385 249 5444
kelly.tate@colliers.com

Terms and Conditions

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within with this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

Professional Service Agreement

Continued

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party.
LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
- 22) Client and its affiliates, rating agencies and a limited number of investors involved in the securitization, may use and rely upon CIVAS report in connection with a planned loan securitization involving the Property including, without limitation, utilizing selected information in the Appraisal in the offering documents relating to the securitization and CIVAS agrees to cooperate in answering reasonable questions by any of the above parties in connection with the securitization.

Client agrees that it will not file, use, or permit or cause to be used in any offering documents or any other document any portion or extract of the Appraisal, or any reference to the Appraisal, without first (i) having provided the portion or portions of an offering document or other document to CIVAS for review and (ii) having obtained the prior written consent of CIVAS to any such filing, use, amendment or modification, which consent shall not be unreasonably withheld. CIVAS shall have the right to require Client to include in any offering document or other document disclosure concerning the conditions, qualifications and assumptions of the appraisal and such other disclosure concerning the Appraisal as CIVAS shall reasonably require.

Client can use the appraised value without attribution to the Appraisal, and selected information in the Appraisal, provided Client agrees that it has complied and at all times will comply, and will use Client's best efforts to cause any underwriters to comply, with all applicable Federal and state securities laws in connection with any offering, and offering document and any use of the Appraisal. Client further agrees that neither any offering document nor any other document used in connection with any offering will contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading regarding the Appraisal, or any portion or extract thereof, or any reference to the Appraisal.

Valuation Glossary 2024

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2024 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(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 and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (*Dictionary*)

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (*USPAP*)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (*USPAP*)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. (*Dictionary*)

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

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

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of

an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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 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. (12 CFR, Part 34, Subpart C - Appraisals, 34.42(h)).

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for

structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease, or fully net lease*. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

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

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(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 or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. (Dictionary)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary)

Useful Life

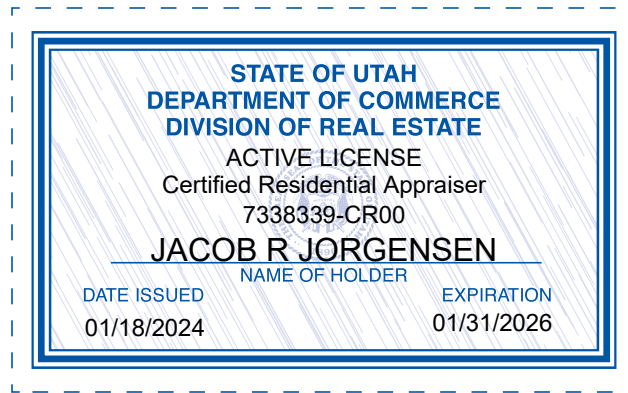
The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (Dictionary)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (Dictionary)

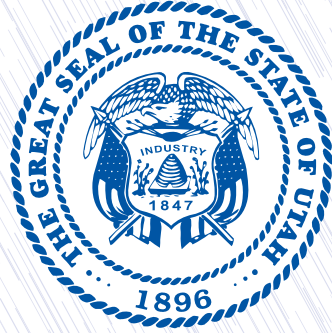

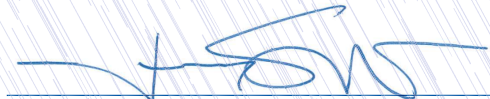
Yield Capitalization

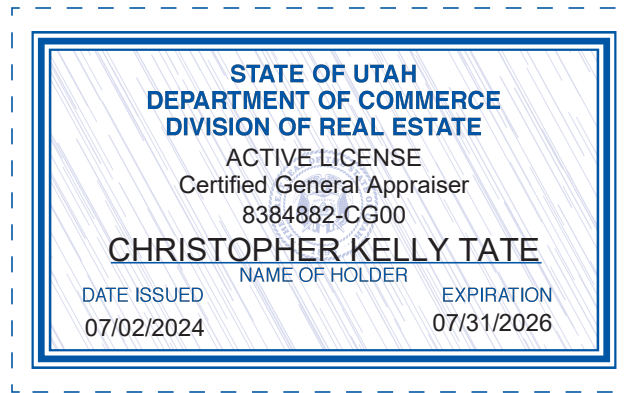
A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (Dictionary)



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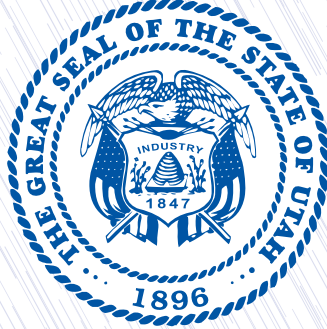



STATE OF UTAH	
DEPARTMENT OF COMMERCE	
DIVISION OF REAL ESTATE	
ACTIVE LICENSE	
DATE ISSUED:	01/18/2024
EXPIRATION DATE:	01/31/2026
LICENSE NUMBER:	7338339-CR00
LICENSE TYPE:	Certified Residential Appraiser
ISSUED TO:	JACOB R JORGENSEN 10883 SADDLEBROOKE CIR SOUTH JORDAN UT 84095
	
	
SIGNATURE OF HOLDER	REAL ESTATE DIVISION DIRECTOR



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STATE OF UTAH	
DEPARTMENT OF COMMERCE	
DIVISION OF REAL ESTATE	
ACTIVE LICENSE	
DATE ISSUED:	07/02/2024
EXPIRATION DATE:	07/31/2026
LICENSE NUMBER:	8384882-CG00
LICENSE TYPE:	Certified General Appraiser
ISSUED TO:	CHRISTOPHER KELLY TATE 7427 S MAGIC HILLS CR COTTONWOOD HEIGHTS UT 84121
	
	
SIGNATURE OF HOLDER	REAL ESTATE DIVISION INTERIM DIRECTOR



Jake Jorgensen

Valuation Associate
Valuation & Advisory Services

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Fax: +1 385 249 5451
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Suite 570
Salt Lake City, UT 84121
United States

Education or Qualifications

Bachelor of Science – Utah
Valley University, 2013

State Certifications

Utah
California

Area of Expertise

Jake Jorgensen joined Colliers Valuation & Advisory Services in 2024 and is current a Valuation Associate. He began his career in 2009 as an appraiser trainee at Jorgensen Appraisal, and received his appraisal license in 2013. During this time he completed appraisals, feasibility studies and market studies on a wide range of property types including vacant land, subdivisions, senior care, office buildings, golf courses and retail centers. In 2017, he moved to Los Angeles and began working independently as a residential appraiser, during which time he received his certified residential license. In 2024, he returned to Utah and the commercial appraisal field. He has since completed assignments for a variety of intended uses, including conservation easements, eminent domain, title disputes and litigation. He specializes in residential properties and vacant land.

Professional Background

Jorgensen Appraisal (UT), 2009-2017
Self Employed (CA), 2017-2024
Colliers Valuation & Advisory Services (UT),
2025-Present

Appraisal Courses

- General Appraiser Sales Comparison Approach
- General Appraiser Market Analysis & Highest & Best Use
- General Appraiser Site Valuation & Cost Approach
- General Appraiser Report Writing & Case Studies
- General Appraiser Income Approach
- Advanced Residential Applications and Case Studies
- Complex Properties: The Odd Side Of Appraisal
- Statistics, Modeling & Finance
- Advanced Concepts & Case Studies
- USPAP 2024-2025



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Kelly Tate, MAI

Area of Expertise

Kelly Tate joined Colliers International Valuation & Advisory Services in 2014. After working as a loan officer, Kelly began his career as a commercial real estate appraiser in 2008 working in the Las Vegas market. In 2012, Kelly returned to Salt Lake City to further his career in the industry. He has experience appraising many different property types including retail, office, industrial, apartments, senior housing, residential subdivisions, and condominiums.

Kelly received his MAI designation in 2013.

Affiliations or Memberships

MAI, Appraisal Institute, # 507024
Utah Chapter of the Appraisal Institute

Professional Background

Colliers International (UT), 2014 – Present
Appraisal Group Inc. (UT), 2012 – 2014
Lubawy & Associates (NV), 2008 - 2012

Education or Qualifications

Bachelor of Science – University
of Utah, 2004

State Certifications

Idaho
Montana
Utah

The Colliers logo is located in the top right corner. It consists of the word "Colliers" in a white serif font, set against a dark blue rectangular background. Below the text are three horizontal stripes in yellow, red, and blue.

Colliers

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Valuation & Advisory Services

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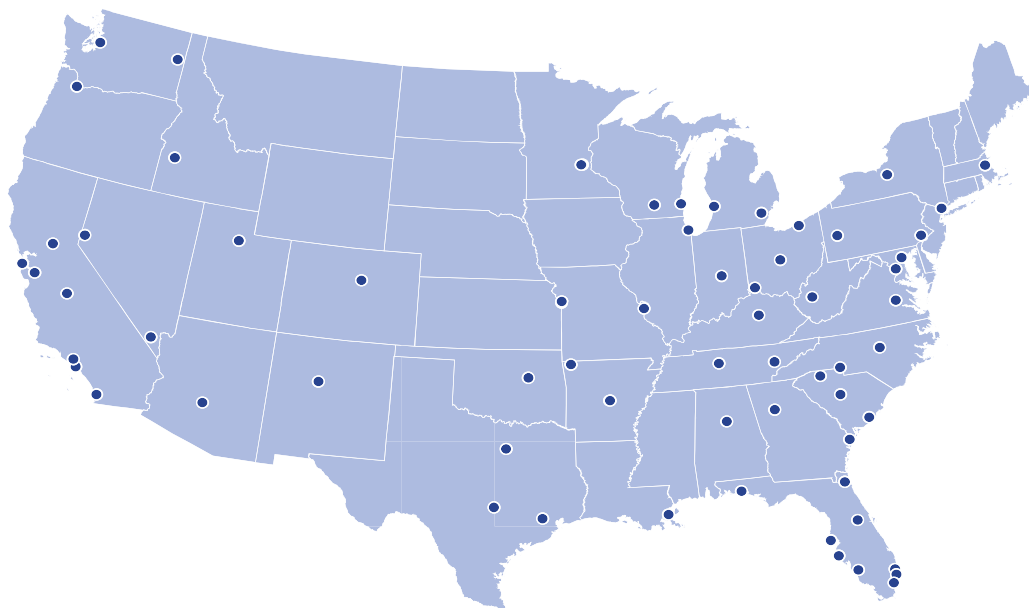
Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

TECHNOLOGY

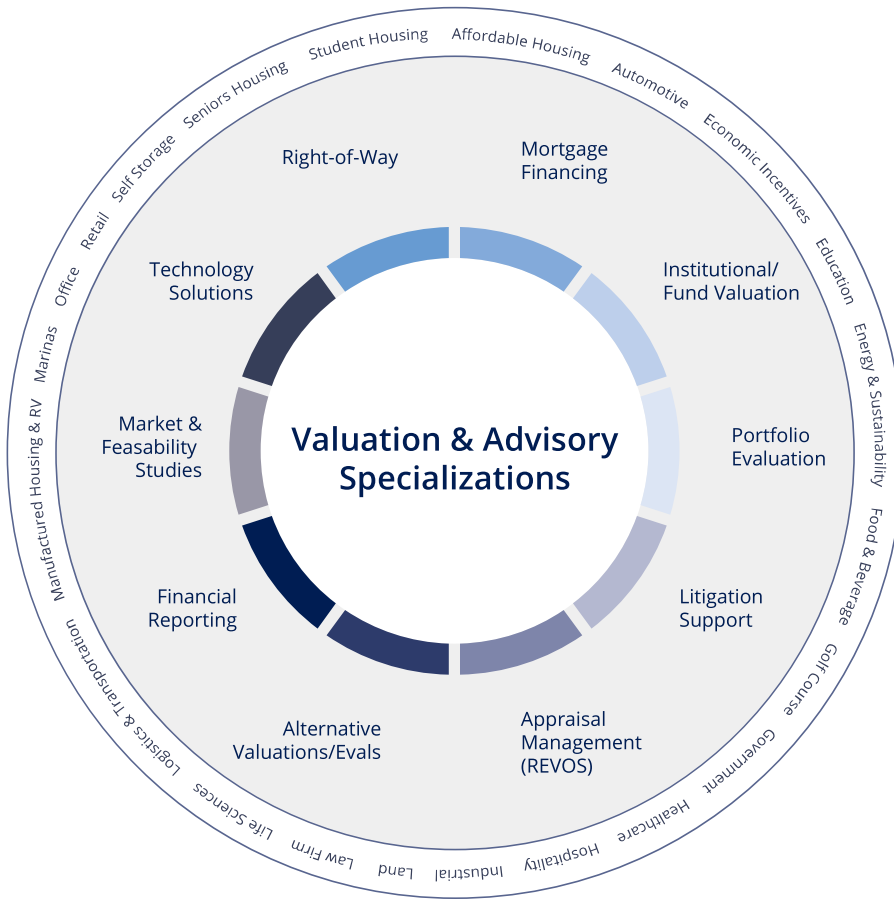
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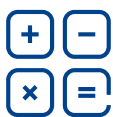


What We Do



400+

licensed appraisers and staff



26,000+

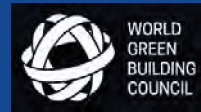
assignments completed annually



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estate brands by The
Lipsey Company



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Our Experts

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6 | RTP: 2027 Process Development Update (Work Plan)

Kendall, Transportation Planner | 801-229-3840 | kwillardson@magutah.gov

BACKGROUND

MAG MPO has contracted with Fehr and Peers to lead the development of the 2027 Regional Transportation Plan (RTP). In our previous [MPO TAC Meeting in June](#), MAG provided a brief overview of the timeline. An updated version was shared at the last [MPO Board Meeting in July](#). The previous MPO board presentation has been incorporated into a work plan, which MAG will present. The work plan will also detail major milestones and key touchpoints with MPO TAC and Board members, as well as stakeholders and the public.

Looking ahead, MAG and the team will organize kick-off meetings with local governments, transportation agencies, and legislators to provide an overview of the RTP development process, goals, objectives, and project schedule. These meetings also serve as an opportunity for stakeholders to give feedback on the process and how the RTP can address regional and local needs.

STAFF RECOMMENDATION

Staff recommends that we approve the work plan to provide a transparent process for decision makers in approving different pieces of the RTP update to a final adoption by June 2027.

SUGGESTED MOTION

I move to recommend that the MPO Board approve the MAG 2027 RTP Work Plan.

ATTACHMENTS

[July 10 MPO Board Meeting 2027 RTP Plan Update](#)



2027 Regional Transportation Plan Update

MPO Board Meeting

Jack Henneman | July 10, 2025



MAG RTP Update Team



LANIECE
DAVENPORT



KENDALL
WILLARDSON



JACK
HENNEMAN

PM



JON
NEPSTAD

PIC



DAN
CAWLEY

Planning



BEAU
HUNTER

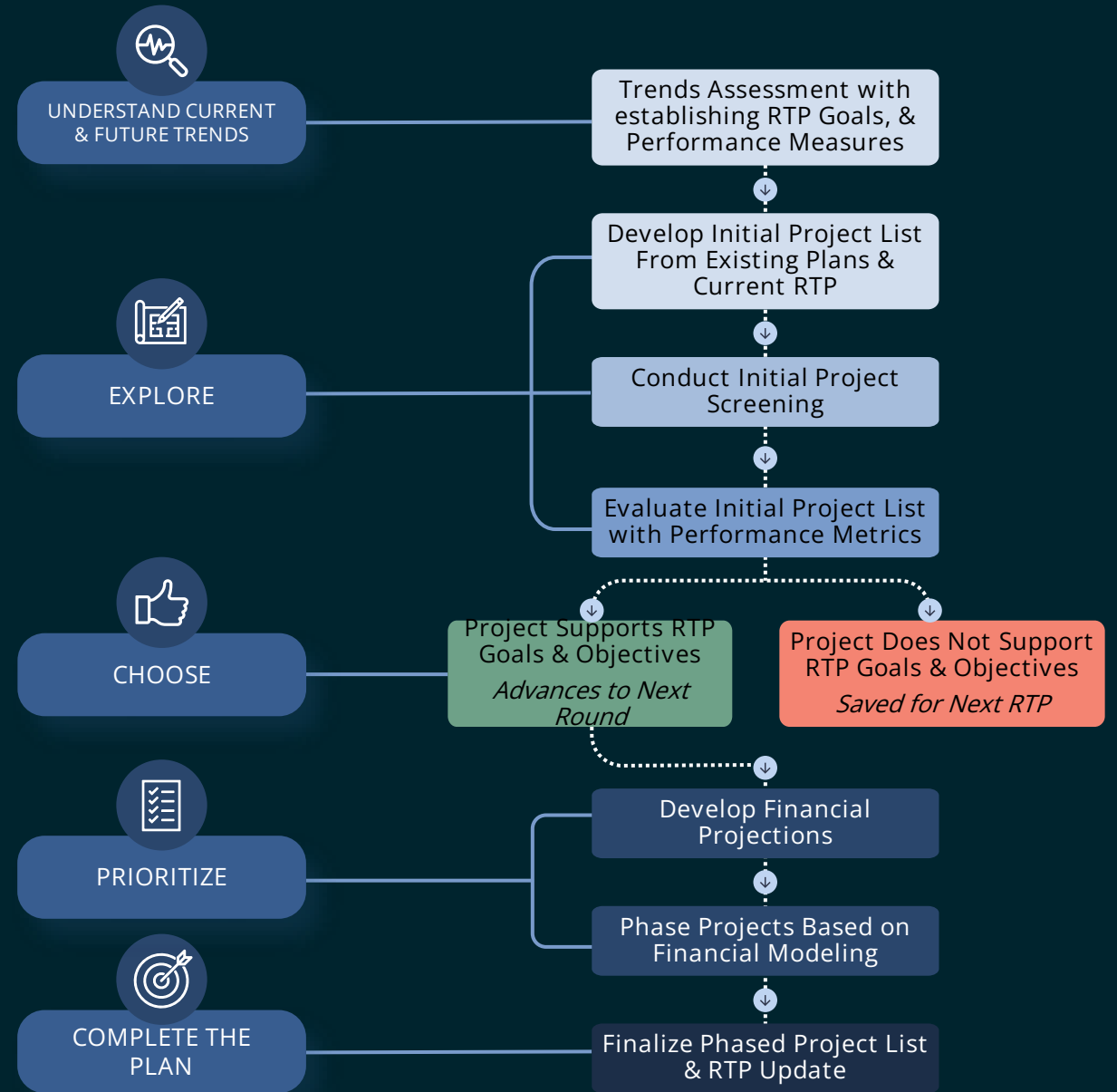
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Engagement*



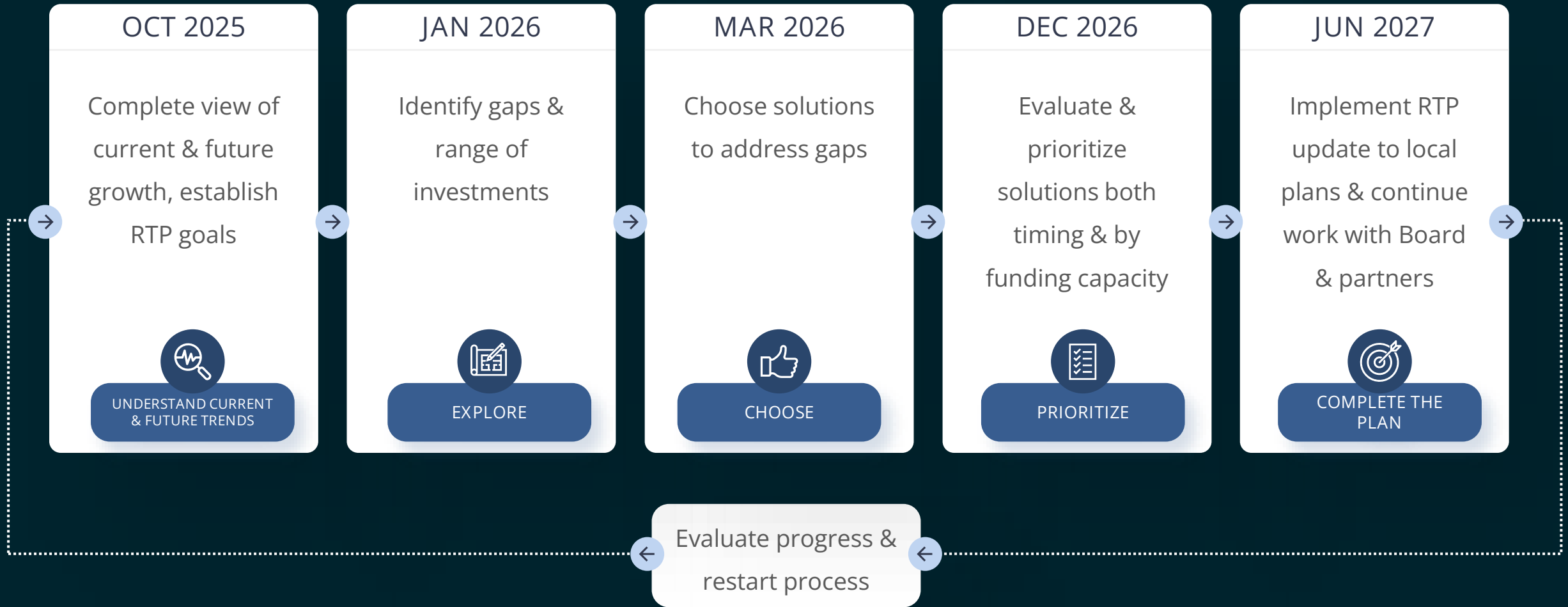
ALEXIS
VERSION

*Public
Engagement*

2027 RTP Update Process Overview

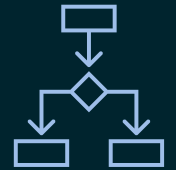


2027 RTP Update Process Overview



2027 RTP Update Process

Key Decisions

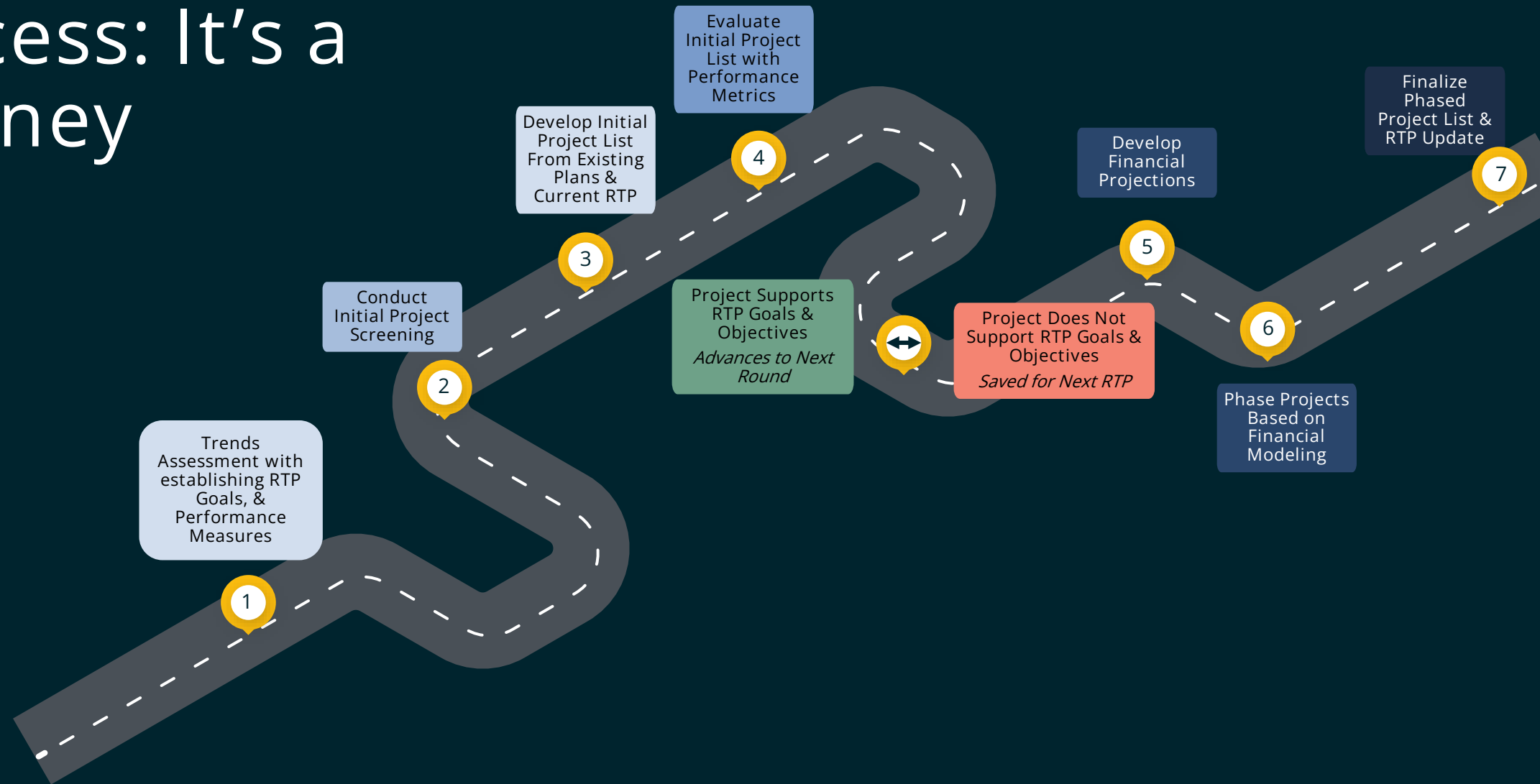


2027 RTP Update Process

Board & Partner Engagement



2027 RTP Update Process: It's a Journey



TAC Meeting

July 28, 2025 | 1:30 pm - 3:00 pm



7 | RTP: 2027 Wasatch Choice Vision Land Use Vision Draft

Dan Wayne, Community Planning Manager | 801-413-3862 | dan.wayne@magutah.gov

BACKGROUND

Developed in partnership with local governments from Brigham City to Santaquin City, the [Wasatch Choice Vision](#) (WCV) is a shared blueprint for future growth and development along the Wasatch Front. Together with a program of multimodal transportation infrastructure and services, this vision is designed to support a growing population and maintain quality of life over the next 30 years. The WCV provides the essential land use assumptions needed for MAG's travel demand model and the Regional Transportation Plan (RTP). The WCV is being updated in preparation for the 2027 RTP cycle.

In January 2025, the MAG MPO TAC recommended, and the MAG MPO Board subsequently approved, the [WCV Update Technical Approach \(Attachment A\)](#) and [WCV Goals and Strategies \(Attachment B\)](#). Consistent with this direction, Envision Utah and MAG staff acquired general plan land use data from local governments and met individually with each of them to better understand their future growth trends, development patterns, major transportation improvements, and regionally-significant open spaces. Input received was digitized and combined into an initial first-cut [WCV land use map](#), which was presented to the MAG TAC in March and the MAG MPO Board in April of 2025.

Since the WCV was last presented to the MPO TAC and MPO Board, the first-cut land use vision has been the subject of several technical analyses:

1. Market-based land use assessment - Using relevant socio-economic and demographic data, this report looks at where future growth is likely to occur, the timing of this growth, and what type of development the market will support. This assessment provides a regionwide and data-driven reality check on the land use assumptions provided by each local government. More details will be presented at the MPO TAC meeting, but initial findings are that: a) additional and/or expanded centers are warranted in West Utah County; and b) the timing on the development of some individual centers along the Wasatch Front may need to be extended to better reflect market demands and the cumulative economic potential of the region as a whole.
2. Transportation system performance assessment - Utilizing MAG's travel demand model and spatial analyses, this report will evaluate transportation system performance and regionally-significant outcomes should the initial first-cut land use map be realized. Metrics will include traffic congestion on the regional network, number of households in proximity to high-frequency transit, and other relevant measures. This assessment is currently underway and staff hopes to present findings at the July MPO TAC and August MPO Board meetings.

Informed by these technical analysis and further consultation with local governments, the future land use vision will be revised as needed. It is anticipated that the final WCV will be presented to the MPO Board in August or September for adoption and use in the 2027 RTP.

8 | TIP Environmental Guidance

Bob Allen, Interim Transportation Manager | 801-229-3813 | ralen@magutah.gov
Andrea Moser, Biowest

BACKGROUND

Each project listed within the TIP must follow certain processes to comply with federal law and permitting. Transportation projects using federal funds follow the NEPA Process, and state-funded projects follow the State Process. UDOT or UTA administers these processes within the MAG Region.

MAG also lists locally funded projects within the TIP that use MAG Exchange or County Transportation Tax funds. These projects do not require either of the two processes listed above. However, these projects do need to follow certain environmental permitting guidelines for items such as:

- Stream Alteration
- Waters and Wetlands
- Threatened and Endangered Species
- Eagles and Raptors
- Migratory Birds
- Air Quality
- Cultural Resources
- Hazardous Waste and Contamination

MAG has worked with Bio-West to develop environmental guidance for these locally funded projects. This guidance will help project sponsors determine which permits should be acquired and provide best practices. It will also be integrated within the TIP management software WorkFlow Manager for MAG staff and project sponsors to document the environmental process steps throughout project development.

This is an Information only agenda item.

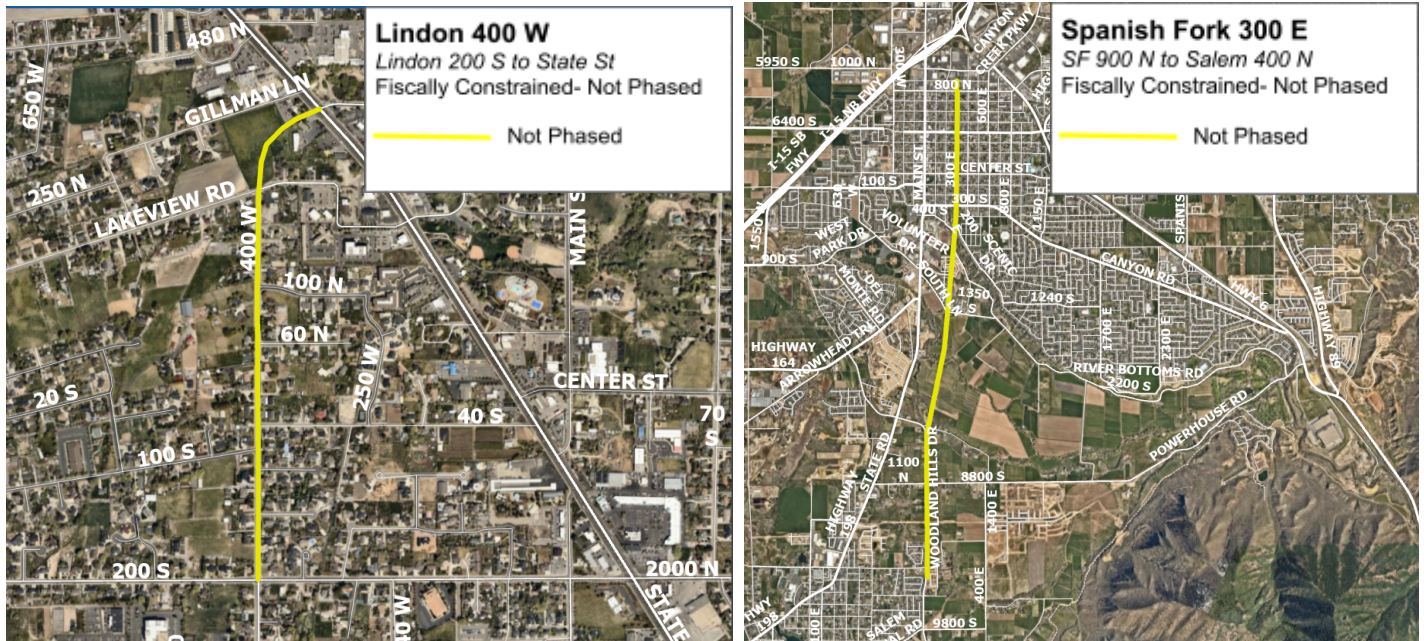
9 | 2023 RTP Amendment #3 (Introduction)

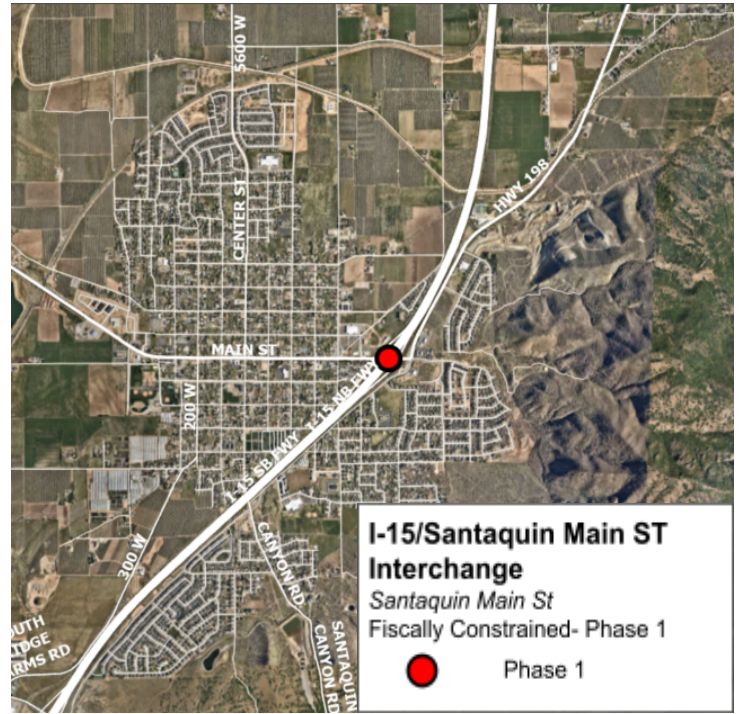
Kendall Willardson, Transportation Planner | 801-229-3840 | kwillardson@magutah.gov

BACKGROUND

MAG is introducing 2023 RTP Amendment #3, which will be approved later this fall. These changes stem from the recommendations made by the Utah Transportation Commission in May 2025, along with two requests from local communities. There are four projects in total, with three level 3 amendments and one level 2 amendment according to the [RTP Amendment Process](#).

MAP/GRAPHIC





ATTACHMENTS

[Presentation](#)

[RTP Amendment Process](#)