VERNAL CITY

NOTICE OF PUBLIC MEETING

TO THE PUBLIC AND RESIDENTS OF VERNAL CITY: Notice is hereby given that the **VERNAL CITY COUNCIL** will hold a regular meeting on ***September 2, 2026 at 6:00 p.m.*** in the Vernal City Council Chambers at 374 East Main St, Vernal, Utah.

A G E N D A

OPENING CEREMONY

1. Invocation or uplifting thought
2. Pledge of Allegiance

STANDING BUSINESS

3. Approval of the Minutes of the Regular City Council Meeting held August 19, 2026

PUBLIC HEARING

4. Public Hearing for the Rezone of Wild Mountain Investments Property - Braeden Christofferson
   a. Consider the approval of Ordinance 2026-25, Wild Mountain Investment Rezone
5. Public hearing for the sale of City owned property- Quinn Bennion
   a. Consider the approval of the sale of 6 lots in the American Dream Subdivision for the UBAOG self-help home project
6. Public Hearing for water and sewer revenue bonds for the 100 N water and sewer project - Keith Despain
7. Public hearing for the submission of two CIB applications - Keith Despain

POLICY AND LEGISLATION

8. Consider the approval of work change directive #1 for the 100 N paving project - Keith Despain
9. Consider approval of a construction contract with Condie Construction for American Dream subdivision infrastructure - Keith Despain
10. Review of proposals for the construction of a Police Department storage shed and discussion about next steps - Keith Despain

STAFF REPORTS

CLOSED SESSION

By motion of the Vernal City Council, pursuant to Utah State Code Title 52, Chapter 4, sections 204 and 205, the City Council may vote to hold a closed session for any of the purposes identified in that chapter.

ADJOURN

NOTE: Supporting documentation for this meeting can be found by visiting the Vernal City website at www.vernal.gov and in the Utah Public Notice Website www.utah.gov/pmn

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Sara Bell, City Recorder, at 374 East Main, Vernal, Utah 84078 or phone (435)789-2255 at least three days before the meeting. The order of agenda items may change to accommodate the needs of the City Council, staff, and/or public.

MEMORANDUM

TO: **Mayor & City Council**

From: **Quinn Bennion, City Manager**

RE: **Agenda Items for September 2, 2026 Council Meeting**

PUBLIC HEARING

- **Public Hearing for the Rezone of Wild Mountain Investments Property; Consider the approval of Ordinance 2026-25 -** Braeden Christofferson - This item is to consider a request from Wild Mountain Investments LLC, represented by Heather Smith, to rezone approximately 1.67 acres located at 291 South Vernal Avenue from R-3 Residential to C-2 Commercial. The Planning Commission held a public hearing on August 11, 2026 and forwarded a unanimous 4-0 positive recommendation to the City Council for consideration. This is the first zoning request that utilizes the zoning ordinance with the list of considerations.

- **Public hearing for the sale of City owned property; Consider the approval of the sale of 6 lots in the American Dream Subdivision for the UBAOG self-help home project -** Quinn Bennion. The City purchased property on both sides of 600 South at about 300 East for the development of attainable housing. The property was subdivided into 15 parcels for residential building lots. The City then partnered with UBAOG to encourage the self-help home program for the parcels. Four of the homes are nearly complete and waiting for utility hook-ups. This sale includes 6 parcels for small homes. To arrive at the sale price, the City proposed a price for each of the 15 parcels which sum to cover the cost of the land purchase. Each of the smaller parcels are sold at $15,000. The City received a two-year CDBG grant to construct the street, water, sewer, curbs and sidewalk.

- **Public Hearing for water and sewer revenue bonds for the 100 N water and sewer project -** Keith Despain - This public hearing is to hear the public's input on the City issuing bonds in the amount of $1,937,000 to cover the cost of the 100 North Water and Sewer project, which includes the 3500 W transmission line. On June 5, 2025, and then a supplemental review on June 4, 2026, the CIB Board authorized a $1,937,000 loan and a $4,517,000 grant to Vernal City for the project (70% grant, 30% loan). The City works with a bond counsel firm to complete the transaction. The loans will be paid with water / sewer funds. For the loan amount, the interest rate on the bond is 0.5% and has a 15 year term. After the public comment, the council will consider approving Resolution 2026-10. Upon approval of the resolution, the bond closing will be scheduled for later in September.

- **Public hearing for the submission of two CIB applications -** Keith Despain - The CIB has added a requirement for applications. Prior to submitting an application, a public hearing must be held to give the public an opportunity to comment on the potential applications. Staff proposes submitting two applications on October 1: a project to build the slip lane and move the HAWK at the Vernal Community Block (Lamplighter), and a water project to replace infrastructure in the 600 and 650 North area between 500 W and Vernal Ave, add waterline from Main St to 135 S on 1500 E, and adding a dedicated, second fill line to the 5 MG storage tank. The slip lane and safety project would be for about $1M at 50% grant and 50% match/loan. The water project would be in the $4.5M range with a request for 70% grant / 30% loan.

POLICY AND LEGISLATION

- **Consider the approval of work change directive #1 for the 100 N paving project -** Keith Despain - Work directive #1 is necessary to compensate the contractor for extra work that was required before paving could occur. When the milling was done, it became apparent that the existing asphalt had significant areas thinner than what the pre-construction bores indicated. A timely decision was made to pulverize the top six inches of the asphalt/roadbase surface and recompact it prior to paving. The additional work set the paving schedule back a week and carries a price tag of $98,430. A majority of the increased cost will be covered with contingency and other project underruns. The remaining amount will use water & sewer funds.

- **Consider approval of a construction agreement with Condie Construction for American Dream subdivision infrastructure -** Keith Despain - The council awarded the construction of the north half of the American Dream Subdivision, Phase II, to Condie Construction in the amount of $ 607,305. The request is to approve the agreement for the project. City staff met with Condie and the CDBG representatives for a pre-construction meeting and orientation regarding the special requirements for construction since this is a federally funded project with wage requirements.

- **Review of proposals for the construction of PD storage shed and discussion about next steps** - Keith Despain - The City received 7 proposals from contractors to build the 40’ x 60’ metal building for PD evidence storage. All proposals exceeded the budgeted amount of $200,000 and it is recommended that the council reject all proposals due to budget constraints. To keep the project moving forward, we recommend that staff interview a few contractors to pursue a design-build arrangement. This process will focus on cost-saving design choices that work for the PD needs and fit within the budget.

CLOSED SESSION

MINUTES OF THE VERNAL CITY COUNCIL REGULAR MEETING HELD AUGUST 9, 2026 at 6:00 p.m. in the Vernal City Council Room, 374 East Main, Vernal, Utah 84078.

PRESENT: Councilmembers Ted Munford, Randel Mills, Robin O'Driscoll, Ed Long, and Nick Porter and Mayor Corey Foley.

WELCOME: Mayor Corey Foley welcomed everyone to the meeting.

INVOCATION OR UPLIFTING THOUGHT: The invocation was given by Councilmember Ted Munford.

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Councilmember Randel Mills.

APPROVAL OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING HELD August 5, 2026

Councilmember Randel Mills moved to approve the minutes of the Regular City Council Meeting held August 5, 2026. Councilmember Ted Munford seconded the motion. The motion passed with Councilmembers Munford, Mills, O'Driscoll, Long, and Porter voting in favor.

MAYOR'S RECOGNITION AWARD FOR IZZIE JACKSON - MAYOR COREY FOLEY

Mayor Corey Foley presented the Mayor's Recognition Award to Izzie Jackson for her continued service and generosity to the community through her lemonade stand, "Izzie's Squeeze of Joy." Mayor Foley explained that each year, Izzie uses her lemonade stand to raise funds to buy supplies for local food pantries.

Mayor Foley stated that this year, Izzie set a goal of raising $1,776 for the Veterans Food Pantry. She exceeded that goal, ultimately raising $2,070 to support local veterans and families in need. He recognized Izzie for the joy, generosity, and kindness she brings to her efforts and noted that her example demonstrates that community service does not depend on age or title, but on a willingness to help others.

Mayor Foley thanked Izzie and her parents for attending the meeting and noted that opportunities to recognize individuals making a positive difference in the community are among the rewarding aspects of serving in local government.

PRESENTATION ABOUT SIDEWALK REPAIR OPERATION - CLINT MORTON

Clint Morton presented a new method City crews have implemented to repair significant sidewalk trip hazards. He explained that minor elevation differences can typically be ground down or corrected by lifting sidewalk panels, however, larger trip hazards of two to three inches have traditionally required complete replacement. These repairs often require the City to wait for a contractor and may result in temporary asphalt or concrete patches remaining in place for an extended period. Mr. Morton noted that replacing a standard four-by-five-foot sidewalk section costs approximately $350, with costs increasing considerably when multiple panels are included in a larger project.

Mr. Morton credited City employee Cordell Rich with developing an alternative repair method. Mr. Rich worked with City welder Riley Harrison to fabricate metal brackets that can be anchored to an existing concrete panel. Using the crane on the welding truck, crews are able to lift the entire panel without damaging it, repair and compact the underlying base, remove tree roots or other obstructions as necessary, and return the existing panel to a level position.

Mr. Morton explained that the method allows City crews to address significant trip hazards immediately without waiting for contractors or installing temporary patches. It also reduces the City's liability by allowing hazards to be corrected more quickly, improves the City's ability to maintain ADA-compliant sidewalks, and reduces concrete replacement costs. The process also allows the City to prioritize larger sidewalk replacement projects in high-use pedestrian areas rather than directing project funding toward isolated hazards simply because they require immediate attention.

Mr. Morton reported that City crews have completed approximately 13 major trip-hazard repairs using the method during the summer, with additional repairs planned. He commended the employees involved for identifying a problem, developing a creative solution, and successfully implementing it.

Councilmember Randel Mills requested that staff track the number of repairs and associated cost savings so an annual figure could be provided. He stated that the information would be a valuable way to demonstrate the City's efforts to use taxpayer funds responsibly.

Councilmember Ed Long stated that the process was an example of good City practice and commended employees for developing an innovative and effective solution. Councilmember Mills agreed and encouraged staff to communicate the Council's appreciation to the employees involved. He emphasized that the Council welcomes ideas from City employees and encouraged employees to continue identifying and proposing creative solutions that can improve City operations.

CONSIDER THE DISMISSAL OF THE WILLOW BEND ANNEXATION PETITION – BRAEDEN CHRISTOFFERSON

Assistant City Manager Braeden Christofferson presented the status of the Willow Bend Annexation Petition, which had previously been accepted by the City Council and certified by the City Recorder. He explained that the petitioners submitted a written request to withdraw the petition and no longer wished to proceed with the current annexation. Staff recommended that the City Council formally dismiss the petition based upon the petitioners’ withdrawal.

Mr. Christofferson explained that the timing of the withdrawal presented a procedural issue under State statute. The City received protests to the annexation on the final day of the 30-day protest period and did not have a City Council meeting within the remaining protest period in which to take action. He noted that there are differing interpretations regarding whether the City may dismiss the petition outside of that timeframe and that the County Boundary Commission may determine that the dismissal does not terminate its review. Staff nevertheless recommended that the Council formally act on the petitioners' request to withdraw.

City Manager Quinn Bennion stated that City staff viewed the property owners' and applicants' withdrawal as sufficient grounds for dismissal, and acknowledged that County staff had expressed a different interpretation. He explained that one provision of State statute references action at the next available City Council meeting, while another references action within the 30-day protest period. Because the protests were received on the final day of the protest period, the City had no practical opportunity to act before that period expired. Mr. Bennion stated that the County had previously indicated that the matter would continue to the Boundary Commission even if the petitioners withdrew and the City Council dismissed the petition.

Mayor Corey Foley reported receiving a recent update indicating that the County planned to pause the Boundary Commission proceedings. He disclosed that he serves on the Boundary Commission as a representative of Vernal City, having been appointed by former Mayor Doug Hammond. Mayor Foley noted that a Boundary Commission meeting had been contemplated for September 2, which conflicted with the regularly scheduled City Council meeting.

Mr. Bennion clarified that the petitioners intend to submit a new annexation petition after making revisions and adding property to the proposed annexation area.

Councilmember Ted Munford questioned why the withdrawal would present an issue and asked what additional action the City could have taken under the circumstances. Councilmember Ed Long asked why City Council approval was necessary when an annexation applicant voluntarily chose to withdraw its petition.

Mr. Christofferson explained that State statute does not specifically establish a process for withdrawal of an entire active annexation petition by the petitioner, although it does address withdrawal of individual signatures from a petition. Because there is no specific statutory process for the petitioner's withdrawal, staff recommended that the City Council formally dismiss the petition.

Councilmember Ted Munford moved to dismiss the Willow Bend Annexation Petition. Councilmember Robin O'Driscoll seconded the motion. The motion passed with the following roll call vote:

Councilmember Munford.. aye;
Councilmember Mills.. aye;
Councilmember O'Driscoll... aye;
Councilmember Long.. aye;
Councilmember Porter.. aye.

CONSIDER RESOLUTION 2026-08 AUTHORIZING THE ISSUANCE OF WATER AND SEWER REVENUE BONDS - KEITH DESPAIN

Public Works Director Keith Despain presented Resolution 2026-08, a parameters resolution authorizing the issuance of water and sewer revenue bonds associated with Community Impact Board (CIB) funding for the 100 North and 3500 West projects. He explained that the resolution establishes a maximum bond amount of $2 million, while the anticipated loan amount is approximately $1.9 million.

Mr. Despain explained that approval of the parameters resolution was one step in the bond issuance process. Following approval, the City would publish a notice of bonds to be issued, followed by a 30-day public information period. A public hearing would be held on September 2, 2026, to receive public comment, with bond closing anticipated during the week of September 21. He noted that the funding originated from the City's 2025 CIB application for the 100 North and 3500 West projects.

City Manager Quinn Bennion clarified that the CIB approved funding for the projects through two separate actions, with the overall funding structured as approximately 70 percent grant and 30 percent loan. He also noted a correction was needed in the City Manager's memorandum regarding the funding amounts.

Mr. Despain explained that the City returned to the CIB for supplemental funding and that his understanding was that the CIB intended to package the original and supplemental loan amounts under the same 15-year term. Mr. Bennion stated that staff would verify the loan terms, as his information indicated that the original funding approved in June carried a 30-year term at 0.5 percent interest, while the supplemental funding carried a 15-year term at 0.5 percent interest.

Councilmember Ed Long asked whether the two loan amounts had been combined. Mr. Despain stated that his understanding was that the CIB intended to combine the funding under the same terms. Staff agreed to confirm the final loan structure prior to the next action on the bonds.

Mayor Corey Foley expressed appreciation for the CIB's financial support of the projects.

Councilmember Robin O'Driscoll moved to approve Resolution 2026-08, authorizing the issuance of water and sewer revenue bonds, as presented. Councilmember Ed Long seconded the motion. The motion passed with the following roll call vote:

Councilmember Munford.. aye;
Councilmember Mills.. aye;
Councilmember O'Driscoll.. aye;
Councilmember Long.. aye;
Councilmember Porter.. aye.

CONSIDER THE APPROVAL OF A PREFERRED CONTRACTOR FOR THE AMERICAN DREAM SUBDIVISION PROJECT - KEITH DESPAIN

Keith Despain explained that Vernal City has partnered with the Uintah Basin Association of Governments (UBAOG) to support affordable housing through its Mutual Self-Help Housing Program. The program assists income-qualified participants with achieving homeownership by having groups of participants work together to construct their homes.

Mr. Despain explained that the City previously purchased property and subsequently sold it to UBAOG for the development. Phase One consists of four homes located near 600 South between 300 East and 350 East, which are nearing completion and occupancy. Phase Two would develop the property immediately north of those homes and include construction of a U-shaped roadway, a pedestrian connection to the neighborhood to the north, water and sewer infrastructure with service stubs, curb, gutter, sidewalk, and asphalt roadway improvements connecting to 600 South.

Mr. Despain stated that the City had also hoped to construct an approximately 150-foot roadway stub south of 600 South as part of the same contract. However, bids for the entire project exceeded the available funding. The project is funded through a $700,000 Community Development Block Grant. Two bids were received, with total project bids of approximately $900,000 and $971,000 when the southern portion was included.

Because the bid documents separated the northern and southern portions of the project, the City could proceed with the northern portion independently. Condie Construction submitted a bid of $607,305 for the northern portion, while Backhoe Supremo submitted a bid of $636,928.75. Mr. Despain recommended awarding the northern portion of the project to Condie Construction for $607,305.

Mr. Despain explained that although the City's purchasing policy provides a local preference for certain purchases, the project is federally funded and federal requirements mandate selection of the lowest responsive bidder. Therefore, the City's local preference provisions could not be applied to the project. Councilmember Ted Munford expressed disappointment that the City could not utilize its local preference provisions. Mr. Despain explained that doing so would likely jeopardize the federal funding and require the City to fund the project from its own resources.

Councilmember Ted Munford moved to approve Condie Construction as the low bid contractor for the American Dream subdivision as presented. Councilmember Nick Porter seconded the motion. Mayor Corey Foley clarified for the record of the minutes that the low bid amount from Condie Construction totaled $607,305. The motion passed with the following roll call vote:

Councilmember Munford.. aye;
Councilmember Mills... aye;
Councilmember O'Driscoll.. aye;
Councilmember Long... aye;

Councilmember Porter.. aye.

REVIEW OF DRAFT ANNEXATION INFORMATION PACKET - QUINN BENNION

City Manager Quinn Bennion presented a draft Annexation Information Packet developed to provide clear and accessible information to property owners considering annexation or who may be affected by a proposed annexation. He explained that Vernal City had experienced very little annexation activity for approximately 15 years, largely due to water availability within the Ashley Valley area. Annexation interest has increased considerably during the past two years, with several annexations completed and additional property owners currently making inquiries.

Mr. Bennion stated that staff recognized the need for consistent public information regarding the annexation process and the questions that commonly arise. Communications Coordinator Katie Flaniken worked with Assistant City Manager and Planning Director Braeden Christofferson, Mr. Bennion, and other City staff to develop the packet. He emphasized that the document was still in draft form and requested that Councilmembers review it and provide comments, corrections, or suggestions before it is finalized.

Mr. Bennion highlighted several topics addressed in the packet, including property taxes, fees, City services, animals, Greenbelt property, and differences in code enforcement. He noted that property taxes are one of the most common questions associated with annexation. The packet provides an example showing that a primary residence valued at $300,000 would experience an estimated $75 annual increase in property taxes following annexation. However, the City's contracted garbage service could provide an estimated annual savings of $96 compared to individually contracted service. He noted that a typographical error identifying the garbage savings as monthly rather than annual would be corrected.

Mr. Bennion also discussed questions regarding differences between City and County ordinances. He explained that many City and County regulations are similar, but enforcement practices may differ. The packet identifies several commonly encountered City regulations, including weed and property maintenance requirements, restrictions on leaving trailers on City streets for more than 72 hours, and restrictions regarding inoperable vehicles on City streets.

Mr. Bennion encouraged Councilmembers and members of the public to provide feedback regarding information that may be unclear or should be expanded. Staff intends to begin distributing the packet within the next several weeks and may revise it in the future as additional questions or issues are identified through the annexation process.

The City Council expressed support for the packet and agreed that the information was comprehensive and easy to understand. Mayor Corey Foley complimented Communications Coordinator Katie Flaniken for her work in developing and designing an attractive, accessible resource for the public.

STAFF REPORTS

Councilmember Robin O’Driscoll reported that the Vernal Area Chamber of Commerce Public

Relations Committee recently presented City employee Matt Tate with the Outstanding Public Service Award in recognition of his volunteer efforts during the Christmas season. She noted that Mr. Tate is humble about his service and does not seek recognition for his efforts.

City Manager Quinn Bennion added that Mr. Tate uses personal vacation time to assist Santa during the holiday season. Although he charges for appearances, he donates the proceeds back to families in need through Santa's Angels. Mr. Bennion reported that approximately 150 families were assisted through the program last year.

Mayor Corey Foley provided an update on the Ashley Valley Sewer Management Board lift station project. He reported that substantial completion is anticipated between September 1 and September 15, followed by approximately 30 days for completion of remaining punch list items. Mayor Foley stated that despite several challenges and delays throughout construction, the project is nearing completion and will provide an important improvement to the area's sewer collection system.

Keith Despain provided an update on the 100 North project. He explained that milling of the existing asphalt revealed significant variations in pavement thickness, resulting in a surface that was not suitable for placement of the new asphalt. Paving directly over the remaining material could have resulted in deterioration and reflective cracking within a short period of time. To provide a stable paving surface, the contractor is pulverizing the remaining asphalt and road base, adding moisture, and recompacting the material.

Mr. Despain stated that the additional preparation delayed paving by approximately one week. The contractor is expected to begin with smaller trench patches and utility tie-ins near 500 East, 1000 West, and along 800 West near the Post Office before beginning the full overlay of 100 North. Once the full paving operation begins, the contractor anticipates completing approximately one and one-half blocks per day, with the roadway paving expected to take approximately two weeks.

Mr. Despain estimated the additional pulverizing and recompaction work at approximately $98,000. Any savings resulting from quantities coming in under budget elsewhere in the project would first be used to offset the additional expense. Any remaining amount beyond available project funding would be paid from water and sewer funds.

Councilmember Ted Munford asked whether staff would anticipate similar pavement conditions when planning future projects. Mr. Despain confirmed that staff is already considering the issue when evaluating future roadway projects. Mayor Foley commented that the improvements would be a significant benefit once construction is complete.

Mr. Despain also reported that the completed 100 North roadway would include bicycle lanes consistent with the City's Trails Master Plan. The planned configuration includes a double-yellow centerline, 12-foot travel lanes, a two- to three-foot buffer between vehicle and bicycle lanes, designated bicycle lanes, and parking adjacent to the curb.

Mayor Foley noted the potential difficulty of paving near schools while classes are in session. Mr.

Despain stated that the contractor has maintained communication with the school district's bus garage and that coordination has gone well. He explained that maintaining access along 500 East to 200 South was the primary concern for school transportation, and the project had created less disruption than initially anticipated.

Mayor Foley asked for an update on the Utah Department of Transportation's Highway 191 project. Mr. Despain reported that the project remained on schedule to begin around the first of September, with preliminary work already underway. He explained that the project would include milling and overlay work on Highway 191 from Highway 40 north to the Simplot Overlook. Mayor Foley and Mr. Despain noted that the project would be substantial and would require coordination around significant truck traffic along the corridor.

City Manager Quinn Bennion reminded the Council that the Dinah "SOAR" Days Hot Air Balloon Festival would take place prior to the next City Council meeting. He noted that street closures were planned for Friday and Saturday and would generally follow the same traffic and event plan used the previous year.

CLOSED SESSION

Mayor Corey Foley stated that there was a need for a closed session. Councilmember Robin O'Driscoll moved to go into closed session, to be held in the Jury Room, pursuant to Utah State Code Title 52, Chapter 4, Sections 204 and 205, for the following purposes:

1. *Discussion of the character, professional competence, or physical or mental health of an individual;*

2. *Strategy sessions to discuss pending or reasonably imminent litigation;*

3. *Strategy sessions to discuss the sale of real property, including any form of a water right or water shares*

4. *Strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares, or to discuss a proposed development agreement, project proposal, or financing proposal related to the development of land owned by the state or a political subdivision.*

Councilmember Randel Mills seconded the motion. The motion passed with the following roll call vote:

Councilmember Munford.. aye;
Councilmember Mills... aye;
Councilmember O'Driscoll.. aye;
Councilmember Long... aye;
Councilmember Porter... aye.

ADJOURN: There being no further business; *Councilmember Randel Mills moved to adjourn. Councilmember Nick Porter seconded the motion. The motion passed with a unanimous vote and the meeting was declared adjourned.*

ATTEST:

Mayor Corey Foley

Sara Bell, City Recorder

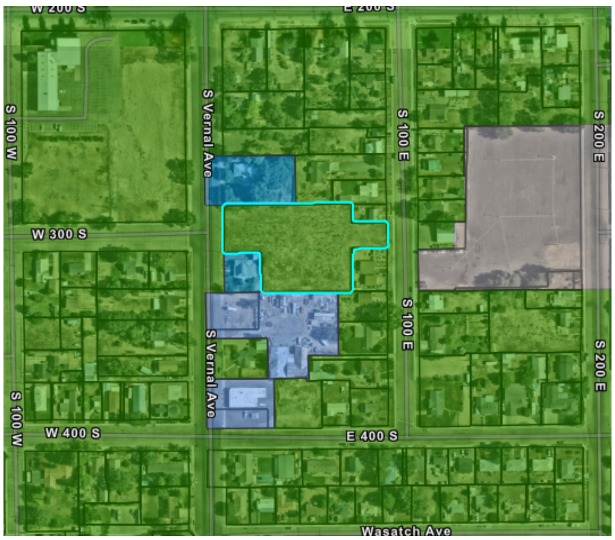
(S E A L)

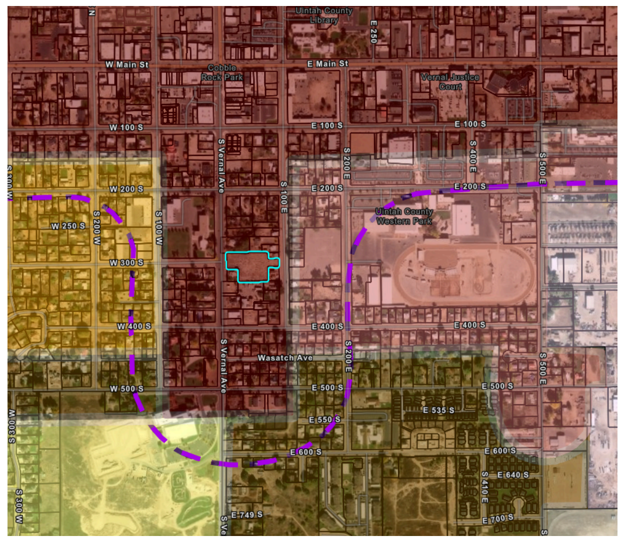
Vernal City Council Staff Report

Prepared By: Braeden Christofferson
Date: 09/2/2026

Public Hearing Items

1. **Recommendation to consider approval of the Wild Mountain Investments LLC (Heather Smith) Rezone for property located at 291 South Vernal Avenue, Parcel #05:032:0156 - #2026-25-REZ - Braeden Christofferson**





Application: 2026-25-REZ
Location: 291 South Vernal Avenue
Parcel: 05:032:0156
Applicant: Wild Mountain Investments LLC / Heather Smith
Current Zoning: R-3 Residential
Proposed Zoning: C-2 Commercial

Discussion

Wild Mountain Investments LLC, represented by Heather Smith, has requested a zoning map amendment for approximately 1.67 acres located at 291 South Vernal Avenue from R-3 Residential to C-2 Commercial.

The applicant is currently marketing the property for sale, and a prospective purchaser is interested in using the property for commercial purposes. Certain standalone commercial uses are not permitted within the existing R-3 zone. Approval of the rezone would amend only the zoning classification of the property. Any future use or development would remain subject to applicable City development requirements.

Background / Analysis

- The property is located along South Vernal Avenue in an area containing a mixture of residential, commercial, and fairgrounds-related zoning and land uses.

- Commercial zoning is already located near the subject property. Staff believes the requested C-2 zoning provides an orderly transition between existing residential, commercial, and public uses in the area.
- The Vernal City General Plan Future Land Use Map designates the property as Central Commercial, and the property is also located within the Mixed Use boundary.
- Staff finds that the proposed C-2 zoning is generally consistent with the General Plan designation and the anticipated mixture of uses within the surrounding area.
- Future commercial development may create traffic, parking, lighting, noise, or other impacts. The extent of those impacts would depend upon the specific development proposal and would be reviewed through subsequent applicable development-review processes.
- VCMC Chapter 16.07 governs amendments to the Official Zoning Map. VCMC §16.07.050 provides review considerations for the City Council, including General Plan consistency, surrounding zoning and uses, suitability under the existing and proposed zoning classifications, potential impacts, orderly growth, transitions between land uses, public benefit, and other relevant health, safety, welfare, and planning considerations.
- The Planning Commission held the required public hearing on August 11, 2026 and considered the application pursuant to VCMC Chapter 16.07.

Planning Commission Recommendation

The Planning Commission held the required public hearing on August 11, 2026. During the hearing, the Commission received written and verbal comments regarding traffic, noise, truck activity, lighting, buffering, infrastructure capacity, and the compatibility of future commercial development with nearby residential properties. The proposed purchaser also described an anticipated family entertainment center and explained that the specific development would be subject to later Conditional Use Permit and Master Site Plan review. The Commission discussed the General Plan designation, surrounding commercial zoning, potential traffic and utility impacts, and the distinction between the rezone decision and later site-specific development review.

Following the public hearing and discussion, Commissioner Brittany Young moved to forward a positive recommendation to the City Council to consider approval of the Wild Mountain Investments LLC rezone from R-3 Residential to C-2 Commercial. Commissioner Hailee Todich seconded the motion. The motion passed unanimously, 4-0, with Brittany Young, Hailee Todich, Aaron Bancroft, and Troy Allred voting in favor.

Staff Recommendation

Staff recommends that the City Council review the application, Planning Commission recommendation, public testimony and written comments, General Plan designation, surrounding zoning and land uses, and the applicable considerations contained in VCMC §16.07.050.

Staff finds that the proposed C-2 zoning is generally consistent with the Central Commercial General Plan designation and that the requested zoning provides an appropriate transition within the existing mixture of residential, commercial, and public uses surrounding the property.

Conclusion

Following the public hearing and discussion, the City Council may approve, approve with modifications, deny, remand, or continue the proposed zoning map amendment in accordance with VCMC Chapter 16.07. Final approval would be accomplished through adoption of the applicable ordinance.

AN ORDINANCE AMENDING THE OFFICIAL VERNAL CITY ZONING MAP BY THE REZONING OF PROPERTY.

WHEREAS, the City Council finds that the regulation of zoning within the City is necessary for orderly growth within the community, and;

WHEREAS, the City Council deems it to be in the best interest of the health, safety and welfare of the citizens to incorporate the following changes to the provisions of the Vernal City Zoning Map, and;

WHEREAS, the City Council has received input from the public at large in duly noticed open meetings, and has considered and discussed the advantages and disadvantages of such zoning amendment;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF VERNAL CITY, UTAH AS FOLLOWS:

SECTION 1. **Description.** The following parcels of property in Vernal, Utah are rezoned from R-3 (Residential Zone) to C2 Heavy Commercial Zone (VMC Section 16.48):

ADDRESS: 291 S Vernal Avenue, Vernal, Utah

PARCEL NUMBER: 050320156

LEGAL DESCRIPTION: BEG AT A PT IN THE SW/4 SE/4 SEC 23, T4S, R21E, SLB&M WHICH BEARS S 02*13'21"E ALG THE W LN OF THE SE/4 OF SD SEC 206.25 FT AND N 87*46'24"E PAR TO THE N LN OF THE SD SW/4 SE/4 49.50 FT FR THE NW COR OF THE SD SW/4 SE/4; TH N 87*46'24"E PAR TO THE SD N LN OF THE SW/4 SE/4 335.75 FT; TH S 02*13'21"E PAR TO THE SD W LN OF THE SE/4 50.00 FT; TH N 87*46'24"E PAR TO THE SD N LN OF THE SW/4 SE/4 93.25 FT TO THE W BNDY OF 100 EAST ST; TH S 02*13'21"E ALG THE SD W BNDY OF 100 EAST ST 65.00 FT; TH S 87*46'24"W PAR TO THE SD N LN OF THE SW/4 SE/4 93.25 FT; TH S 02*13'21"E PAR TO THE SD W LN OF THE SE/4 116.00 FT; TH S 87*46'24"W PAR TO THE SD N LN OF THE SW/4 SE/4 237.75 FT; TH N 02*13'21"W PAR TO THE SD W LN OF THE SE/4 107.25 FT; TH S

87*46'24"W PAR TO THE SD N LN OF THE SW/4 SE/4 98.00 FT TO THE E BNDY OF VERNAL AVE; TH N 02*13'21"W ALG THE SD E BNDY OF VERNAL AVE 123.75 FT TO POB. CONT 1.67 ACRES, M/L.

***SECTION 2.* Repealer.** All former ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance or of the code are hereby repealed.

***SECTION 3.* Severability.** The provisions of this ordinance shall be severable and if any provision thereof or the application of such provision under any circumstances is held invalid and it shall not affect the validity of any other provision of this ordinance or the application in a different circumstance.

***SECTION 4.* Effective Date.** This ordinance shall take effect the day after publication the ____ day of September 3, 2026.

PASSED, ADOPTED AND ORDERED published this 3rd day of September, 2026.

ATTEST:

____
Mayor Corey Foley

____
Sara Bell, City Recorder

(S E A L)

Date of Publication: ______________________

AGREEMENT OF PURCHASE AND SALE

(Lots 7, 8, 9, 13, 14 & 15 of The American Dream Subdivision Phase 2, Vernal, Uintah County, Utah, 84078)

THIS AGREEMENT OF PURCHASE AND SALE ("**Agreement**") is made and entered into as of the __ day of ________, 2026 ("**Effective Date**"), by and between Vernal City, a Utah municipal corporation ("**Seller**"), and Uintah Basin Association of Governments, a Utah interlocal entity, ("**Buyer**"). Seller and Buyer shall be collectively referred to herein as the "**Parties**" and individually as a "**Party**."

RECITALS

A. Seller is the owner of certain real property and the improvements thereon consisting of Lots 7-9 and 13-15 of The American Dream Subdivision Phase 2, located in Vernal, Uintah County, Utah, Zip 84078 (the "**Land**"), as described in Exhibit A, attached hereto.

B. Subject to the terms and conditions of this Agreement, Seller desires to sell and assign to Buyer, and Buyer desires to purchase and assume from Seller, all of the following (collectively, the "**Property**"): (a) the Land, and (b) all of Seller's right, title and interest in and to the following: (1) any improvements on the Land (the "**Improvements**"), and (2) all rights, privileges, easements and appurtenances to the Land or the Improvements, including, without limitation, (i) all Intangible Property (as defined in Paragraph 6.1.2 below) all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land; (ii) any rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land; (iii) any rights at law or in equity or otherwise to seek damages or other relief against any third parties who may have injured or damaged the Land prior to the Closing Date; and (iv) any roads and alleys adjoining or servicing the Land.

AGREEMENT

NOW, THEREFORE, incorporating the foregoing recitals, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree that the terms and conditions of this Agreement and the instructions to Escrow Holder identified in Paragraph 3.1 below (which company in its capacity as escrow agent hereunder is hereinafter referred to as the "**Escrow Holder**") with regard to the escrow ("**Escrow**") created pursuant hereto are as follows.

1. Purchase and Sale. Seller hereby agrees to sell the Property to Buyer, and Buyer hereby agrees to purchase the Property from Seller, subject to and upon the terms and conditions set forth in this Agreement.

2. Purchase Price. The Purchase Price for the Property to be paid by Buyer shall be a total of Ninety Thousand ($90,000.00) (the "**Purchase Price**") with that Purchase Price broken down as follows: $15,000.00 attributed to each individual lot. The Purchase Price shall be payable as follows: On the day scheduled for the Close of Escrow (as defined below),

Buyer shall deposit or cause to be deposited with Escrow Holder, in immediately available funds, the Purchase Price, as adjusted by Buyer's and Seller's share of closing costs and charges set forth in the approved Settlement Statement referred to in Paragraph 7 below and Buyer's share of prorations payable pursuant to this Agreement.

3. Escrow.

3.1 Opening of Escrow. For the purposes of this Agreement, the Escrow shall be deemed opened ("**Opening of Escrow**") on the date Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall execute, deliver, and be bound by any reasonable supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transactions contemplated by this Agreement, and either Buyer or Seller may submit supplemental escrow instructions to Escrow Holder; provided, however, that no such instruments or supplemental instructions shall be inconsistent or in conflict with, amend, or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments or supplemental instructions and the terms of this Agreement, then the terms of this Agreement shall control. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which the Property is located, including any reporting requirements of the Internal Revenue Code. For purposes of complying with Internal Revenue Code Section 6045(e), as amended, Escrow Holder is hereby designated as the "person responsible for closing the transaction," and also as the "reporting person" for purposes of filing any information returns with the Internal Revenue Service concerning this transaction, as required by law, and determining and remitting to the Utah taxing authorities and/or the Internal Revenue Service any amount payable under the Foreign Investment in Real Property Act. "**Escrow Holder**" as used above in this Agreement means Basin Land Title and Abstract, Inc., 335 West 50 North #E-7, Vernal, Utah 84078, Attn: Julia Brakey.

3.2 Close of Escrow. Subject to satisfaction of the contingencies herein described, Escrow Holder shall close Escrow (the **"Closing**" or "**Close of Escrow**") by recording the Deed (as defined in Paragraph 6.1.1), together with the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement. The Closing shall occur on May 8, 2025 (the **"Closing Date**"). Time is of the essence.

4. Conditions Precedent to the Close of Escrow for the Benefit of Buyer. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or waiver of the conditions precedent listed in Paragraphs 4.1 through 4.6 below ("**Buyer's Contingencies**") solely for Buyer's benefit by the dates, if any, designated below.

4.1 Title.

(a) Seller shall be obligated to deliver good, free record and marketable fee simple title to the Property subject only to encumbrances of record which are enforceable against the Property or which are included in the Deed (defined below) or reflected on Schedule B to the Title Commitment (as defined below) and are not expressly objected to by Buyer within the time period provided for in Paragraph 4.1(d) below, or to which objection is subsequently waived by

Buyer in the manner provided in Paragraph 4.1(d) (collectively, the "**Permitted Exceptions**"), but such Permitted Exceptions expressly exclude (A) any existing deeds of trust or other lien created or suffered by Seller, or any lis pendens or judgment liens as a result of Seller's actions, that encumber the Property (or any portion thereof), or any other matter or item recorded against the Property after Buyer has reviewed and approved the Title Commitment per this paragraph which has not been approved by Buyer in advance, (collectively, the "**Seller Encumbrances**", which Seller shall be obligated to cause the release thereof), and (B) the exceptions and exclusions in the preprinted form of Title Policy (as defined below).

(b) At Closing, there shall be no leases or occupancy agreements giving any persons any right to use or occupy any portion of the Property, except as otherwise delivered to Buyer as part of the Records on or prior to the date hereof.

(c) On or before the Closing Date, Title Company (as defined below) shall have issued or be irrevocably committed to issue the Title Policy to Buyer. "**Title Policy**" means an ALTA Owner's Policy of title insurance with extended coverage, issued by Escrow Holder to Buyer at the Closing in the form agreed to by Buyer during the Due Diligence Period. That policy will be dated not earlier than the date of recordation of the Deed from Seller to Buyer, will name Buyer as the insured, and will insure Buyer's fee simple title to the Property, subject only to the Permitted Exceptions in an amount equal to at least the Purchase Price, and containing such customary endorsements as Buyer may require.

(d) Buyer has, as of the Effective Date, obtained a commitment for an owner's policy of title insurance covering the entire Property, together with copies of all documents referred to therein (the "**Title Commitment**"). Buyer shall have until the date that is five (5) days prior to the Closing Date in which to examine the Survey and the Title Commitment and to make any written objections to the matters disclosed therein or thereby. In the event that the Survey or Title Commitment shows any matters that are objectionable to Buyer (collectively, the "**Title Objections**"), and Buyer notifies Seller in writing of such objections (an "**Objection Notice**"), within such period provided for in this Section 4, then, within five (5) days (the "**Cure Period**"), after receipt of Buyer's Objection Notice, Seller shall provide Buyer with a written notice of all Title Objections that Seller elects to cure on or before the Closing. Buyer need not object to any Seller Encumbrances, all of which exceptions are deemed Title Objections and Seller shall eliminate all such Title Objections on or before the Closing. In the event Seller is unable or unwilling to commit to eliminate each Title Objection within the Cure Period, or earlier notifies Buyer that it will not commit to cure one or more of such Objections, Buyer shall have the option for a period ending on the last day of the Due Diligence Period, to either (x) waive Buyer's Objections which Seller refused to eliminate and purchase the Property as otherwise contemplated in this Agreement, without any adjustment in the Purchase Price, in which event such waived objections shall become Permitted Exceptions, or (y) terminate this Agreement by written notice to Seller, in which event, except as provided in Paragraph 10 hereof, and, except those obligations stated elsewhere in this Agreement to survive termination, neither Seller nor Buyer shall have any further rights, obligations or liabilities hereunder. Failure by Buyer to make such an election within the time period set forth in the preceding sentence shall be deemed an election to terminate this Agreement under subsection (y) above. Seller shall have no obligation to cure any objection raised by Buyer in its Objection Notice, except the Seller Encumbrances, and may elect to notify Buyer at any time during the Cure Period that it is unable or unwilling to satisfy any of Buyer's Objections. If Seller advises Buyer that Seller will (or will attempt to) eliminate, modify or cure any Title Objection(s) and/or Survey Objection(s) and all of such Title Objection(s) and/or Survey Objection(s) are not so eliminated, modified or cured to Buyer's satisfaction in Buyer's sole discretion on or before the scheduled date of the Closing, Buyer may as its sole and exclusive remedy on account thereof (i) terminate this Agreement, or (ii) waive its objections to such matters. Upon termination of this Agreement pursuant to the terms of this paragraph, the Escrow provided for herein shall be immediately canceled, and the Deposit, whether or not theretofore deemed non-refundable, together with all earnings thereon, shall be returned to the Buyer. The "**Title Company**" for purposes of this Agreement is the Escrow Holder (the "**Title Company**").

4.2 Survey. Seller hereby authorizes Buyer, at Buyer's expense and election, to procure, prior to Closing, an ALTA/ACSM Land Title Survey of the Property prepared by a duly licensed land surveyor licensed in Utah and chosen by Buyer (the "**Survey**"). In the event the Survey, or any recertification thereof, shows any encroachments or any improvements upon, from, or onto the Property, or on or between any building setback line, lot line, or any easement, or any other matter except those approved in writing by Buyer, in Buyer's sole and absolute discretion, prior to Closing, such encroachment, improvement, easement, or other matter shall be treated in the same manner as a failure of a Buyer Contingency.

4.3 Transfer Documents. Seller shall have delivered into Escrow, on or before the Closing Date, all documents specified in Paragraph 6.1 of this Agreement. Such documents shall be duly executed by Seller.

4.4 Absence of Defaults by Seller. At Closing, no Seller default of which Seller has received notice shall remain uncured under this Agreement.

4.5 No Breach of Seller's Warranties. There shall be no breach of Seller's Representations and Warranties set out in Paragraph 10.1 of this Agreement (collectively, "**Seller's Warranties**") in existence on the date of Closing.

5. Conditions Precedent to the Close of Escrow for the Benefit of Seller. The Close of Escrow and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent for Seller's benefit by the dates designated below.

5.1 Buyer's Deliveries. On or before the Closing Date, Buyer shall have delivered to Escrow Holder the documents described in Paragraph 6.1. Such documents shall be duly executed by Buyer. Buyer shall have timely delivered the Purchase Price to Escrow Holder in accordance with the provisions of Paragraph 2 above.

5.2 Absence of Defaults by Buyer. At Closing, no Buyer default of which Buyer has received notice shall remain uncured under this Agreement.

5.3 Payment of Buyer. Buyer shall have delivered the Purchase Price, inclusive of the Deposit and subject to any adjustments required hereunder in accordance with Paragraph 2 above, plus any other amounts due from Buyer under this Agreement, in immediately available U.S. funds by wire transfer or transfers to Escrow Holder in accordance with the provisions of Paragraph 2 above.

6. Deliveries to Escrow Holder.

6.1 Deliveries by Seller and Buyer. On or before the Closing Date, Seller and Buyer shall deposit or cause to be deposited with Escrow Holder the following documents and instruments.

6.1.1 Deed. Seller shall deliver to Escrow Holder one (1) counterpart original of a Special Warranty Deed in the form attached hereto as Exhibit B, duly executed and acknowledged by Seller (the "**Deed**") conveying the Property to Buyer subject only to the Permitted Exceptions.

6.1.2 Other Closing Documents. Seller shall deliver such other certificates, affidavits, or documents as are necessary to comply with Seller's obligations under this Agreement or are customary and are required by Buyer's title insurance company to issue the Title Policy to Buyer. Any such affidavits or certificates will be in form and substance acceptable to the Title Company.

6.1.3 Closing Statement. Seller and Buyer shall execute an agreed upon closing/proration statement reflecting the adjustments to the Purchase Price in accordance with the terms of Paragraph 2 above, and Paragraphs 7 and 8 below.

6.1.4 Miscellaneous. Seller and/or Buyer shall deliver such other documents, instruments, certifications and confirmations as may be reasonably required by the Title Company to fully effect and consummate the transactions contemplated hereby.

7. Costs and Expenses. If the transaction contemplated by this Agreement is consummated, then (a) Seller shall bear the following costs and expenses: (i) half of the premium for the Title Policy, (ii) half of of the Escrow Holder's fees, (iii) half of all documentary transfer taxes and fees, as well as all costs of recording the Deed and title clearing documents, (iv) half of the cost of any Survey and/or Survey Update, if any, obtained by Buyer, and paid by Buyer directly to the surveyor, and (v) Seller's share of prorations; (b) Buyer shall bear the following costs and expenses: (i) half of the premium for the Title Policy, (ii) half of of the Escrow Holder's fees, (iii) half of all documentary transfer taxes and fees, as well as all costs of recording the Deed and title clearing documents, (iv) half of the cost of any Survey and/or Survey Update, if any, obtained by Buyer, and paid by Buyer directly to the surveyor, and (v) Buyer's share of prorations. All such items shall be identified in a settlement statement that is prepared by Escrow Holder and submitted to the parties for their review and approval at least two (2) business days prior to the Closing (such settlement statement, in the form approved by both parties, being referred to herein as the "**Settlement Statement**"). In addition, except as expressly otherwise set forth in this Agreement, Buyer shall be solely responsible for all costs incurred by Buyer in its inspections and other due diligence with respect to the Property. Subject to the provisions of Paragraph 16 below, each party shall bear the cost of its own attorneys and consultants.

8. Prorations.

8.1 General. All expenses, including taxes and assessments relating to the Property for the period through May 8, 2025, regardless of when such amounts are billed, due or payable, shall be paid by Seller. All prorations shall be calculated based on actual days of the applicable month and all annual prorations shall be calculated based on a 365-day year. If any prorations, apportionments or computations made under this Paragraph 8 shall require final adjustment after the Closing Date, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either Party hereto shall be entitled to an adjustment to correct the same. Any corrected adjustment or proration shall be paid promptly in cash to the Party entitled thereto. This Paragraph 8.1 shall survive the Closing for a period of one (1) year.

9. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, Escrow Holder shall promptly undertake all of the following in the manner and order set forth below:

9.1 Disburse Funds. Escrow Holder shall credit all matters addressed in Paragraphs 2 and 7 and prorate all matters as addressed in Paragraph 8 and disburse the balance of the Purchase Price in accordance with the Settlement Statement.

9.2 Title Company. Escrow Holder shall cause the Title Company to record the Deed and related documents and to issue the Title Policy to Buyer.

10. Representations and Warranties.

10.1. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder. The representations and warranties of Seller set forth in this Paragraph 10.1 shall be true and correct at Closing and shall not merge with the Deed and shall survive the Close of Escrow for one year thereafter and any claim related thereto must be filed and delivered to Seller in writing within such period or it shall be irrevocably waived.

10.1.1. Power. Seller has the legal power, right, and authority to enter into this Agreement and the instruments referenced herein and to consummate the transaction contemplated hereby in accordance with the terms hereof

10.1.2. Requisite Action. With respect to Seller, all requisite corporate action has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein. No further consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Buyer to consummate the transaction contemplated by this Agreement.

10.1.3. Individual Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller, if any, have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof.

10.1.4. No Conflict. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein nor the incurrence of the obligations set forth herein nor the consummation of the transaction contemplated herein nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreement or instrument to which Seller is a party.

10.1.5. Default Notices and Governmental Regulations. Seller has not received any notice alleging the existence of any uncured violations of any governmental regulations relating to the Property. To the best of Seller's knowledge, Seller has complied and shall comply from the date hereof until the Closing in all material respects with all applicable Federal, State, County, and municipal regulations, rules, ordinances, statutes, and other requirements and restrictions with respect to all matters pertaining to the Property.

10.1.6. Litigation. There are no actions, suits, or proceedings, pending or, to Seller's knowledge, threatened against or relating to Seller or the Property in any court or before any administrative agency.

10.1.7. Contracts. There are no contracts or agreements relating to the Property which shall be binding on Buyer, except as otherwise delivered to Buyer as part of the Records on or prior to the date hereof.

10.1.8. Environmental. Unless disclosed by any environmental reports delivered to Buyer, whether delivered by Seller or a third party, (i) Seller has received no written notice and is not otherwise aware of any violation of Environmental Laws (as hereinafter defined) related to the Land or the presence or release of Hazardous Materials (as hereinafter defined) on or from the Land, and (ii) Seller has no knowledge of any underground storage tanks located on the Land. The term "**Environmental Laws**" includes without limitation the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act and other federal laws governing the environment as in effect on the Effective Date together with their implementing regulations and guidelines as of the Effective Date, and all state, regional, county, municipal, and other local laws, regulations, and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials (as hereinafter defined). The term "**Hazardous Materials**" includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel (or mixtures of natural gas or such synthetic gas), asbestos and asbestos containing materials and any substance, material waste, pollutant, or contaminant listed or defined as hazardous or toxic under any Environmental Law.

10.1.9. OFAC Compliance. Seller is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

10.2. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder). The representations and warranties of Buyer set forth in this Paragraph 10.2 shall be true and correct at the Closing and shall not merge with the Deed and shall survive the Close of Escrow for one year, and any claim therefor must be delivered to Buyer in writing within such period or it shall be irrevocably waived.

10.2.1. Power. Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referenced herein and to consummate the transaction contemplated hereby.

10.2.2. Requisite Action. All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein. No further consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Buyer to consummate the transaction contemplated by this Agreement.

10.2.3. Individual Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions hereof and thereof.

10.2.4. No Conflict. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein nor the incurrence of the obligations set forth herein nor the consummation of the transaction contemplated herein nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions, or provisions of or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreement or instrument to which Buyer is a party.

10.2.5. OFAC Compliance. Buyer is currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

11. Buyer's Due Diligence.

11.1. Delivery of Records. Simultaneously with or prior to the Effective Date, Seller shall, to the extent the same are in Seller's possession or are readily available to Seller, make available to Buyer in an electronic data file copies of all records listed on Exhibit C and any other non-privileged documents relating to the Property, which, to the best of Seller's knowledge and belief, exist and are in its possession or control (the "**Records**"). Prior to the Closing, Buyer shall treat the Records as confidential (other than information which is a matter of public record or information which was already in the possession of Buyer prior to the date of this Agreement), and such documentation shall not be published or otherwise disclosed by Buyer prior to Closing without the written consent of the Seller, except as required by law or regulation or as hereinafter provided. Notwithstanding the foregoing, Buyer and Seller shall each have the right to disclose such information to (i) directors, partners, officers, employees, consultants, legal counsel, or other advisors retained or contracted by Buyer in connection with this transaction (including, but not limited to, the Escrow Holder), provided such individuals are advised of and bound by the terms of this Paragraph, (ii) any federal, state, or local governmental authority, permitting agency, or other public official, or (iii) prospective tenants or lenders of the Property. If this Agreement terminates for any reason other than a Seller default, then Buyer shall return all Records to Seller (including any copies or extracts thereof) made available to, or delivered to, Buyer by Seller.

11.2. Investigation. From and after the Effective Date until the termination of this Agreement, Buyer, and its agents, consultants, contractors, and subcontractors shall have the right to enter upon the Property to perform such investigations and any studies as shall be necessary to determinate the feasibility of the purchase.

11.3. Buyer's Indemnity. Buyer hereby agrees to indemnify, defend (with counsel reasonably satisfactory to Seller), and hold Seller harmless from and against any and all losses, expenses, claims, damages, or injuries to persons or property resulting from the acts or omissions of Buyer, Buyer's or its tenant's agents, contractors or subcontractors, or the contractors or subcontractors of such agents on the Property in connection with the performance of any investigation or other activities upon the Property as contemplated herein. The foregoing indemnity, defense, and hold harmless obligations do not apply to (i) any diminution in value in the Property arising from or relating to matters discovered by Buyer during its investigation of the Property in accordance with the terms of this Agreement, (ii) any defects or Hazardous Materials in the Property merely discovered by Buyer during its investigation of the Property in accordance with the terms of this Agreement, or (iii) losses, expenses, claims, damages, or injuries to persons or property resulting from the acts or omissions of Seller or Seller's agents, contractors, or subcontractors. Except for disclosures to its consultants, tenants, lenders, partners, and attorneys or as required by law, Buyer shall keep the results of all such inspections, studies, investigations, analysis, reports, and the like confidential until the Closing Date. Buyer shall keep the Property free and clear of any mechanics' liens or materialmen's liens created by or through Buyer related to Buyer's right of inspection and the activities contemplated in this Paragraph 11. The Buyer's indemnification obligations set forth in this Paragraph 11 shall survive the termination of this Agreement for a period of one (1) year.

11.4. Termination Right. If Buyer, in Buyer's sole discretion, is not satisfied with the results of its investigations and review of the Records for any reason or no reason, then on or before 11:59 p.m. Salt Lake City Time on the Closing Date (the "**Due Diligence Period**"), Buyer may terminate this Agreement by providing written notice thereof to Seller (the "**Due Diligence Termination Notice**"), whereupon the Deposit and all interest thereon shall be promptly refunded to Buyer without further notice or other action required of any party, and this Agreement and all obligations of the parties which do not expressly survive termination of this Agreement shall cease, and this Agreement shall be cancelled and void, without recourse to the parties hereto, except for indemnity obligations that expressly survive a termination. Upon any exercise of the termination right in this Paragraph 11.4, Buyer shall deliver to Seller copies of all Investigation Results not previously delivered to Seller, which shall be delivered to Seller without representation or warranty as to the accuracy, completeness, or reliability of such materials; provided, however, Buyer shall not be required to deliver to Seller any of Buyer's Proprietary Information.

12. Waiver and Release. As a material inducement to the execution and delivery of this Agreement by Seller and the performance by Seller of its duties and obligations hereunder, Buyer does hereby acknowledge, represent, warrant, and agree to and with the Seller that except as otherwise expressly provided in this Agreement and documents at Closing: (a) Buyer is purchasing the Property in an "AS-IS" condition as of the date of the Close of Escrow with respect to any facts, circumstances, conditions, and defects; (b) Seller has no obligation to repair or correct any such facts, circumstances, conditions, or defects or compensate Buyer for same; (c) Buyer will undertake all such physical inspections and examinations of the Property as Buyer deems necessary or appropriate under the circumstances, and that, based upon same, Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its agents and officers, and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property; (d) except as expressly set forth in this Agreement and the documents at Closing, Seller is not making and has not made any warranty or representation with respect to all or any part of the Property (including, but not limited to, any matters contained in documents made available or delivered to Buyer in connection with this Agreement, including, without limitation, the Records) as an inducement to Buyer to enter into this Agreement and thereafter to purchase the Property or for any other purpose; and (e) by reason of all of the foregoing, Buyer shall bear the risk that the value of the Property proves to be less than the Purchase Price as the result of any fact, circumstance, condition, or defect pertaining to the physical condition of the Property, including, without limitation, the presence of any Hazardous Material in, on, under, or about the Property, and, subject to the representations, warranties, and agreements of Seller in this Agreement, Buyer hereby waives and releases Seller from any and all rights and claims of Buyer against Seller with respect to the condition of the Property, including, without limitation, any rights of Buyer under the State or Federal Comprehensive Environmental Response, Compensation, and Liability Act, as amended from time to time, or similar laws; provided, however, that for clarity, the foregoing is not intended as an agreement by Buyer, and Buyer does not agree to indemnify Seller against any such claims that may be made by third parties, including, but not limited to, governmental agencies.

The foregoing release shall not excuse Seller's breach of its express obligations under this Agreement, including, without limitation, Seller's covenants, representations, and warranties.

The parties agree that all understandings and agreements heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits hereto annexed, which alone fully and completely express their agreement, and that this Agreement has been entered into after full investigation, or with the parties satisfied with the opportunity afforded for investigation, neither party relying upon any statement or representation by the other unless such statement or representation is specifically embodied in this Agreement or the Exhibits annexed hereto.

All of the provisions of this Paragraph 12 shall survive the Closing and/or termination of this Agreement.

13. Enforcement and Legal Fees.

13.1. BUYER'S DEFAULT. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE ESTIMATE OF THE NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF BUYER'S DEFAULT OR BREACH HEREUNDER IS AN AMOUNT OF MONEY EQUAL TO $1,000.00, WHICH SHALL BE THE FULL, AGREED, AND LIQUIDATED DAMAGES THEREFOR. IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS, WITHOUT LEGAL EXCUSE, TO COMPLETE THE PURCHASE OF THE PROPERTY (WITH ALL OF BUYER'S CONTINGENCIES HAVING BEEN SATISFIED OR WAIVED IN WRITING), SUCH AMOUNT MADE BY BUYER SHALL BE FORFEITED TO SELLER AS LIQUIDATED DAMAGES AS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER FOR SUCH FAILURE. THE FOREGOING SHALL NOT LIMIT BUYER'S REMEDIES WITH RESPECT TO THE INDEMNITY OBLIGATIONS OF BUYER IN PARAGRAPH 11.3 OF THIS AGREEMENT, OR SELLER'S RIGHT TO RECOVER ITS ATTORNEYS' FEES INCURRED TO ENFORCE THE PROVISIONS OF THIS AGREEMENT.

13.2. SELLER'S DEFAULT. IF SELLER DEFAULTS IN COMPLETING THE SALE AS PROVIDED HEREIN, THEN BUYER SHALL BE ENTITLED, AS ITS SOLE AND EXCLUSIVE REMEDY, WHETHER AT LAW OR IN EQUITY, TO: (A) WAIVE, IN WRITING, SAID DEFAULT AND PROCEED TO CLOSING; (B) TERMINATE THIS AGREEMENT, AND, IF SELLER'S DEFAULT ARISES DUE TO THE FRAUDULENT OR INTENTIONAL MISCONDUCT OF SELLER, BUYER SHALL BE ENTITLED TO RECEIVE FROM SELLER AN AMOUNT EQUAL TO BUYER'S OUT-OF-POCKET EXPENSES AND THIRD-PARTY COSTS INCURRED IN CONNECTION WITH BUYER'S DUE DILIGENCE, AND THIS AGREEMENT SHALL THEREAFTER BE NULL AND VOID AND NEITHER SELLER NOR BUYER SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT THOSE INCLUDED IN PROVISIONS WHICH EXPRESSLY SURVIVE TERMINATION; OR (C) IN LIEU OF OPTIONS (A) AND (B) HEREIN, BUYER SHALL BE ENTITLED TO PURSUE SPECIFIC PERFORMANCE OF THIS AGREEMENT BY FILING AN ACTION THEREFOR WITHIN NINETY (90) DAYS AFTER THE SCHEDULED CLOSING DATE. THE FOREGOING SHALL NOT LIMIT BUYER'S REMEDIES WITH RESPECT TO THE INDEMNITY OBLIGATIONS OF SELLER PURSUANT TO THIS AGREEMENT OR BUYER'S RIGHT TO RECOVER ITS ATTORNEYS' FEES INCURRED TO ENFORCE THE PROVISIONS OF THIS AGREEMENT.

13.3. CURE PERIOD. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN PARAGRAPH 13 OF THIS AGREEMENT, NEITHER PARTY SHALL BE DEEMED IN DEFAULT HEREUNDER UNTIL THE NONPERFORMING PARTY HAS RECEIVED WRITTEN NOTICE OF ANY PENDING DEFAULT FROM THE

OTHER PARTY AND THEREAFTER FAILED TO REMEDY SUCH PENDING DEFAULT WITHIN FIVE (5) BUSINESS DAYS OF SUCH NOTICE; PROVIDED, HOWEVER, THAT NO NOTICE OR CURE PERIOD SHALL BE APPLICABLE TO A FAILURE TO TIMELY CLOSE OR PAY THE PURCHASE PRICE IN ACCORDANCE WITH THIS AGREEMENT, AND NOTHING HEREIN SHALL EXTEND THE EXPIRATION DATE OF THE DUE DILIGENCE PERIOD.

13.4. <u>WAIVER OF CONSEQUENTIAL DAMAGES</u>. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER BUYER NOR SELLER SHALL HAVE THE RIGHT TO RECOVER CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES AGAINST THE OTHER.

14. <u>Notices</u>. All notices or other communications required or permitted thereunder shall be in writing and shall be personally sent by electronic mail to each of the following parties, as follows.

To Buyer:	Laurie Brummond Email: laurieb@ubaog.org
To Seller:	Quinn Bennion, Vernal City Manager Email: qbennion@vernal.gov
To Escrow Holder:	Julia Brakey Email: julia@basinlandtitle.com

Any notice, demand, or request shall be deemed given and received by the date reflected by the date of the e-mail. Any notice that may be given by either party in connection with this Agreement may be given by such party's attorney.

15. <u>Brokers</u>. Seller and Buyer each represent and warrant to the other that no real estate brokerage commission is payable to any person or entity in connection with the transaction contemplated hereby, and Seller and Buyer each agree to indemnify, defend, and hold harmless the other from and against any claims brought by any person in violation of this provision.

16. <u>Legal Fees</u>. If either Buyer or Seller brings any action or suit against the other for any matter relating to or arising out of this Agreement, then the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to recover from the other party all costs and expenses of suit, including reasonable attorney fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including reasonable attorney fees incurred in enforcing, perfecting, and executing such judgment.

17. <u>Assignment</u>. Except as set forth in the preceding sentence, neither Seller nor Buyer may assign, transfer or convey its rights or obligations under this Agreement at any time without the prior written consent of the other Party, which consent may be withheld in such other Party's reasonable discretion.

18. Seller's Operation of the Property Through the Close of Escrow; Certain Deliveries. From and after the Opening of Escrow until the Closing Date, or any earlier termination of this Agreement, Seller shall (a) maintain the Property in current condition and repair, reasonable wear and tear excepted, (b) promptly deliver copies of any notices given or received with respect to the Property to Buyer, (c) not enter into any easement, lease, sublease, service contract, management agreement, license agreement, concession agreement, or other agreement or encumbrance affecting the Property that will be an obligation affecting the Property subsequent to the Closing without the prior written consent of Buyer, and (d) not intentionally take or omit to take any action which would render untrue or incorrect any of the warranties or representations made by Seller herein or which would otherwise threaten or impair Seller's ability to perform as contemplated by this Agreement.

19. Miscellaneous.

19.1. Required Actions of Buyer and Seller. Buyer and Seller agree to execute such ancillary, non-substantive instruments and documents and to diligently undertake such ministerial actions as may reasonably be required in order to consummate the purchase and sale herein contemplated in accordance with the provisions hereof without altering any of their respective rights or obligations.

19.2. Computation of Time Periods. If the date upon which the Due Diligence Period expires, the Closing Date, or any other date or time period provided for in this Agreement is or ends on a Saturday, Sunday, or federal, state, or legal holiday, then such date shall automatically be extended until the next day which is not a Saturday, Sunday, or federal, state, or legal holiday.

19.3. Counterparts; Facsimile Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. The Parties signatures on this Agreement may be delivered by electronic facsimile (by email or fax machine). Buyer and Seller each (a) agree to permit the use of facsimile or electronic signatures, from time to time, where appropriate and consistent with Paragraph 14 above, in order to expedite the transaction contemplated by this Agreement, (b) intend to be bound by delivery of their respective facsimile or electronic signatures on this Agreement, (c) are aware that the other Party may rely on a facsimile or electronic signature delivered in accordance with this Agreement, and (d) acknowledge such reliance and waive any defenses to the enforcement of the documents and Notices effecting the transaction contemplated by this Agreement based on the fact that a signature is a facsimile or electronic signature.

19.4. Captions and References to Paragraphs. Any captions to or headings of the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof. Any reference to a Paragraph shall be deemed a reference to any applicable subparagraphs or subsections as well (e.g., without limitation, a reference to Paragraph 20, would include any applicable portions of Paragraphs 20.1 through and inclusive of 20.16).

19.5. No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon nor obligate any of the Parties hereto, to any person or entity other than the Parties hereto, except as permitted by Paragraph 18.

19.6. Exhibits and Schedules. The exhibits and schedules attached hereto, which are listed below, are hereby incorporated herein by this reference for all purposes.

Exhibit A	Legal Description of Land
Exhibit B	Deed
Exhibit C	List of Records

19.7. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

19.8. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

19.9. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah. Exclusive jurisdiction and venue for any action arising from this Agreement shall lie in the state court of Uintah County, Utah.

19.10. Fees and Other Expenses. Except as otherwise provided herein, each of the Parties hereto shall pay such Party's own fees and expenses in connection with this Agreement.

19.11. Entire Agreement. This Agreement, including all Exhibits attached hereto, which are hereby incorporated herein by reference as if set forth in full herein, supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent, or representative of either Party hereto shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

19.12. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the Parties hereto.

19.13. Construction. The Parties hereby acknowledge and agree that (a) each Party hereto is of equal bargaining strength, (b) each such Party has actively participated in the drafting, preparation, and negotiation of this Agreement, (c) each such Party has been represented by, and consulted, with such Party's own independent counsel and such other professional advisors as such Party has deemed appropriate relating to any and all matters contemplated under this Agreement, (d) each such Party and such Party's counsel and advisors have reviewed this Agreement, (e) each such Party has agreed to enter into this Agreement following such review and the rendering of such advice, and (f) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

19.14. Confidentiality. Prior to the Closing Date or earlier termination of this Agreement, Buyer and Seller shall maintain the confidentiality of the material terms of this

Agreement except for disclosures to consultants, lenders, partners, attorneys, tenants (prospective or actual), or as required by law, or as otherwise reasonably necessary to exercise their respective rights and obligations under this Agreement.

19.15. Drafts. Delivery of this Agreement does not constitute an offer by either Party and shall not create any rights or obligations until it is executed and delivered, which either Party may refuse to do in its sole discretion.

19.16. Business Days. For purposes of this Agreement, the term "**Business Day**" shall mean Monday through Friday except for all federal and state holidays.

[Signatures to Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

BUYER:	**SELLER:**
UINTAH BASIN ASSOCIATION OF GOVERNMENTS, a Utah interlocal entity.	VERNAL CITY, a Utah municipal corporation
By:______________________________ Laurie Brummond, Executive Director (UBAOG)	By:__________________________ Corey Foley, Mayor

EXHIBIT A

LEGAL DESCRIPTION OF LAND

The following real property located in Uintah County, Utah:

1. **Parcel No. 05:051:0453**
   LOT 7 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.09 ACRES M/L.

2. **Parcel No. 05:051:0454**
   LOT 8 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.08 ACRES M/L.

3. **Parcel No. 05:051:0455**
   LOT 9 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.07 ACRES M/L.

4. **Parcel No. 05:051:0459**
   LOT 13 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.07 ACRES M/L.

5. **Parcel No. 05:051:0460**
   LOT 14 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.07 ACRES M/L.

6. **Parcel No. 05:051:0461**
   LOT 15 OF THE AMERICAN DREAM SUBDIVISION PHASE 2, LOCATED IN THE NE/4 NE/4 OF SEC 26, T4S, R21E, SLB&M. CONT 0.07 ACRES M/L.

<u>EXHIBIT B</u>

FORM OF DEED

When recorded, return to:

____
____
____

Parcel/Tax No.: [____________]

SPECIAL WARRANTY DEED

Vernal City, a Utah municipal corporation, **Grantor**, for good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged, hereby conveys and warrants to **Uintah Basin Association of Governments**, a Utah interlocal entity, **Grantee**, certain real property located at [ADDRESS], more particularly described as follows:

[Legal Description to be inserted].

Grantor does hereby warrant and forever defend title to the above premises in Grantee, its successors and assigns, against the lawful claims of any person thereto by, through, or under Grantor.

Dated effective as of ______________________, 2025

VERNAL CITY

By: _________________________________
Mayor Corey Foley

STATE OF UTAH)
) ss.
COUNTY OF UINTAH)

The foregoing instrument was acknowledged before me this _____ day of _____________, 2026, by _____________________, on behalf of Vernal City, a Utah municipal corporation, who duly acknowledged to me that he had authority to execute the same on behalf of such entity.

____
Notary Public

EXHIBIT C

LIST OF RECORDS

(1) The Title Commitment and all underlying documents.

(2) Any existing survey covering all or part of the Property and any plans showing existing and/or planned roadways and/or utilities on the Land.

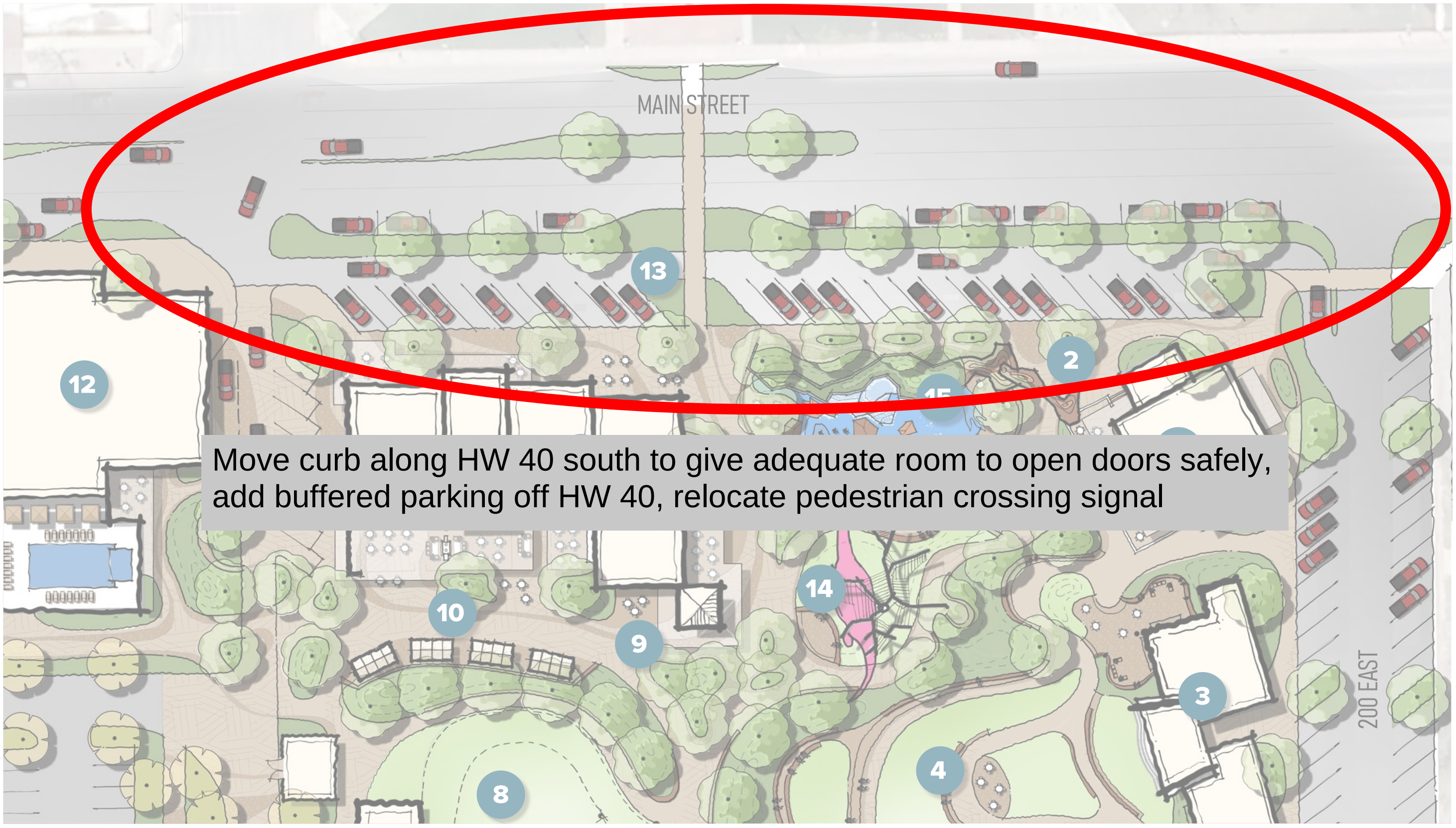
(3) Environmental Reports (if any)

(4) Cross access easement agreements, or site restrictions (if any)

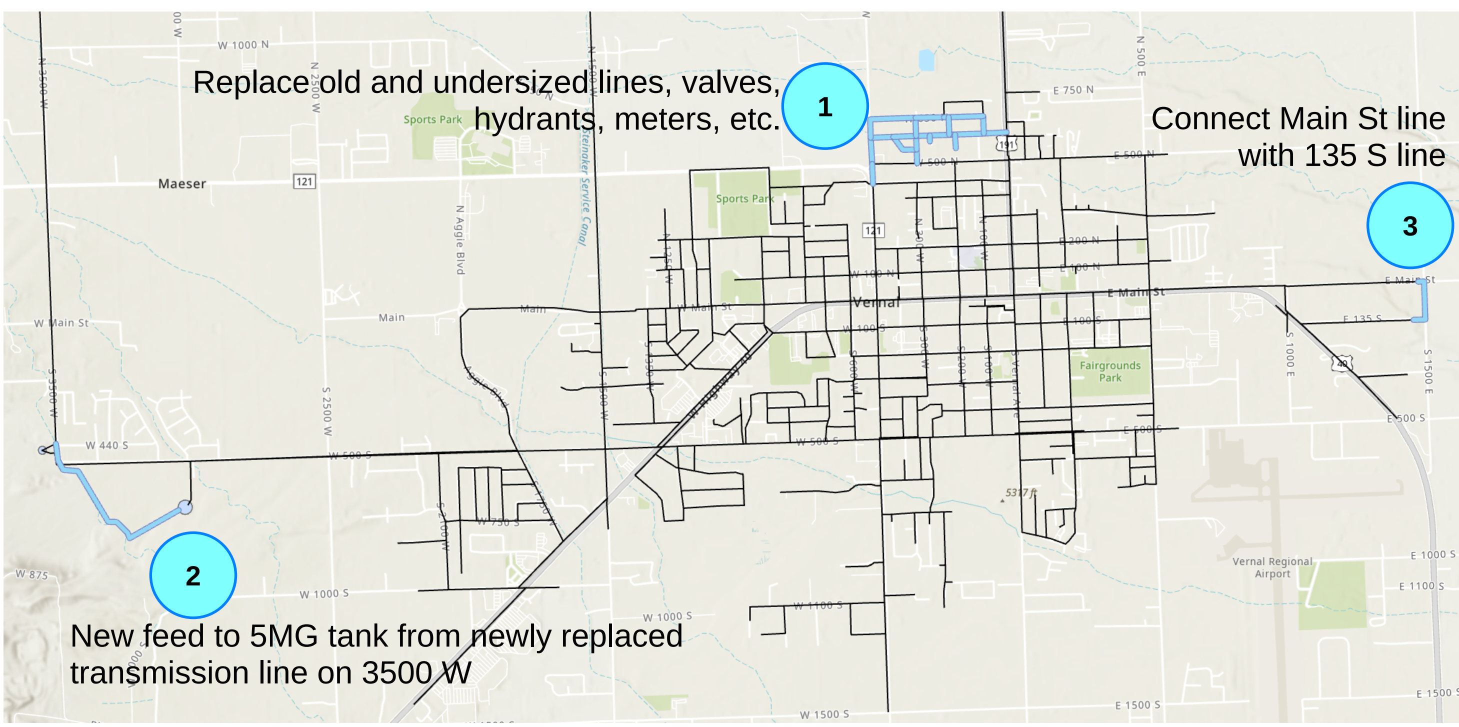
(5) Any other agreements or contracts related to the Property

CIB Applications for the October 1 Application Cycle
Public Hearing: 2 September 2026

CIB Application 1: HW 40 Parking and Pedestrian Safety - Vernal Community Block



CIB Application 2: Water System Improvement - Phase 2



DOCUMENT 00 63 49.01
WORK CHANGE DIRECTIVE NO.: 01

Owner:	Vernal City	Owner's Project No.:	2026-02
Engineer:	Jones & DeMille Engineering, Inc.	Engineer's Project No.:	2506-057
Contractor:	Condie Construction	Contractor's Project No.:	2603
Project:	100 North Utility Reconstruction		
Date Issued:	August 14, 2026	Effective Date of Work Change Directive:	August 14, 2026

Contractor is directed to proceed promptly with the following change(s):

Description:

Pulverizing and regrading the existing roadway. Including importing or exporting materials where needed.

Attachments:

Condie Construction Company price

Purpose for the Work Change Directive:

The existing asphalt area was thinner than the random cores taken identified. Due to this paving the road on the post milled surface would reduce the lifespan of the road. Additional pulverization of the materials is needed to provide a suitable base for the overlay.

Directive to proceed promptly with the Work described herein, prior to agreeing to change in Contract Price and Contract Time, is issued due to:

☐ Non-agreement on pricing of proposed change. ☒ Necessity to proceed for schedule or other reasons.

Estimated Change in Contract Price and Contract Times (non-binding, preliminary):

Contract Price: $98,430.00 increase.

Contract Time: 7 days increase.

Basis of estimated change in Contract Price:

☐ Lump Sum ☒ Unit Price ☐ Cost of the Work ☐ Other

	Recommended by Engineer	Authorized by Owner
By:	Bart Jensen	Quinn Bennion
Title:	Project Manager	City Manager
Date:	Aug 14 2026	Aug 14 2026

Condie Construction Company

53 North 1650 West – Springville, Utah 84663
Phone (801) 489-3070 – Fax (801) 489-7263

To:	Vernal City	**Contact:**	
Address:	274 E Main St	**Phone:**	
	Vernal, UT 84078 USA	**Fax:**	
Project Name:	100 N Waterline Roadway Regrading	**Bid Number:**	26024
Project Location:		**Bid Date:**	8/13/2026

Line #	Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
210	210	Pulverize 2", Regrade Roadway	44,000.00	SY	$2.22	$97,680.00
220	220	Load & Offhaul Asphalt (Unit Price)	1.00	LOAD	$230.00	$230.00
230	230	Imported Roadbase (Unit Price)	1.00	LOAD	$520.00	$520.00

Total Bid Price: $98,430.00

Notes:

- Billing Bid Items will be based on actual completed measurement quantities. Export of Existing Asphalt and Import for Additoinal Roadbase will be billed on a per load basis depending on what it will take to meet the new grades.
- Bid excludes the handling or removal of hazardous waste. (OWNER IS TO NOTIFY US OF ANY CONTAMINATES BEFORE WORK BEGINS - WE TAKE NO LIABILITY FOR CLEANUP)
- Bid DOES NOT include modifications of any existing utilities (GAS, POWER, ETC.)
- Bid proposal reflects the current price for Materials. We can only hold the suppliers price for 30 days from the date of this proposal. We reserve the right to pass on any increases to owner.
- Condie Construction Co, Inc. shall not be liable for any delay or failure in performance resulting, in whole or in part, from any cause or event of Force Majeure. The term "Force Majeure" means any event or events or any cause or causes which are not within the control of Condie Construction Company, Inc. which make it impossible or commercially impractical for Condie Construction Company, Inc. to perform its obligations within the time(s) contemplated by this agreement, including without limitation events of riot, war, rebellion, blockage, insurrection, interruption of utilities, terrorism, vandalism, fire, acts of God, flood, frost, extreme temperatures, landslide, washout, atmospheric disturbances, lightning, storm, tornado, earthquake, and civil disturbances, availability of materials, strikes, or lockouts, and requirements of law, and acts or orders of governmental authorities.
- This bid proposal is based on the acceptance of all items detailed above. This proposal is strictly limited to the scope of work outlined above, and defined by this proposal. If accepted, this proposal will be included in. and become part of the contract.
- Soft Spot repair is not included and will be billed as a change order if encountered.
- This scope of work will add approximanly 2 weeks to complete and needs to be added to the contract completion time.

Payment Terms:

Progress Payments will be based upon applications for Payment submitted to the Owner by the Contractor and Certificates for Payment, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided in the Contract Documents.
The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.
Provided that an Application for Payment is receive d by the Owner not later than the 5th day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the 5th day of the following month.
Any past due amount will be subject to a FINANCE CHARGE of 1-1/2% per month which is an ANNUAL PERCENTAGE RATE OF 18%, plus collection cost and reasonable attorney's fee if this account is referred to an attorney for collection.

ACCEPTED:	**CONFIRMED:**
The above prices, specifications and conditions are satisfactory and hereby accepted.	**Condie Construction Company**
Buyer: ______	
Signature: ______	**Authorized Signature:** ______
Date of Acceptance: ______	**Estimator:** Rhett Housley 801-404-1083 rhousley@condieconstruction.com

SECTION 00 52 10
AGREEMENT[1]

Pavement Management
Vernal City

This Agreement is by and between Vernal City (Owner) and CONDIE CONSTRUCTION COMPANY, LLC (Contractor).

Owner and Contractor, in consideration of the mutual covenants set forth herein, agree as follows:

Article 1 – **WORK**

1.1 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: subdivision asphalt road, curb and gutter, sidewalk, and some utility work for waterline, sewer line, and power conduit.

Article 2 – **THE PROJECT**

2.1 The Project is generally described as follows: American Dream Subdivision.

Article 3 – **ENGINEER**

3.1 The Project has been designed by Horrocks (Engineer), which is to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

Article 4 – **CONTRACT TIMES**

4.1 Time of the Essence

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.2 Days to Achieve Substantial Completion and Final Payment

A. The Work will be substantially completed within 106 calendar days after the date when the Contract Times commence to run as provided in Paragraph 2.3 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.7 of the General Conditions within 120 calendar days after the date when the Contract Times commence to run. Paving may not be completed prior to winter weather and can be deferred until Spring.

4.3 Liquidated Damages

A. Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.2 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner $500 for each day that expires after the time specified in Paragraph 4.2 for Substantial Completion until the Work is substantially complete and usable or functional. After Substantial

[1] Adapted from EJCDC C-520 Suggest Form of Agreement Between Owner and Contractor for Construction Contract.

Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner $250 for each day that expires after the time specified in Paragraph 4.2 for completion and readiness for final payment until the Work is completed and ready for final payment.

Article 5 – **CONTRACT PRICE**

5.1 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

A. In the event of any change order, or any change that would act to increase the Contract Price the Contractor must provide, in a form acceptable to Owner, an amendment to the Performance Bond and Payment Bond to cover the increased Contract Price within ten business days after the change or change order. In the alternative Contractor may provide an additional bond or surety to cover the increased Contract Price in a form acceptable to owner.

Article 6 – **PAYMENT PROCEDURES**

6.1 Submittal and Processing of Payments

A. Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.2 Progress Payments; Retainage

A. The progress payment period will end on the 20th of each month. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment for Work that has been completed during the progress payment period as provided in Paragraphs 6.2.A.1 and 6.2.A.2 below. All such payments will be measured by the schedule of values established as provided in Paragraph 2.7.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, including but not limited to liquidated damages, in accordance with Paragraph 14.2 of the General Conditions:
    a. 95 percent (95%) of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, Owner, on recommendation of Engineer, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no additional retainage; and
    b. 90 percent (90%) of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent (95%) of the Work completed, less such amounts as Engineer shall determine in accordance with Paragraph 14.2.B.5 of the General Conditions and less 100 percent (100%) of Engineer's estimate of the value of Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

6.3 Final Payment

A. Upon final completion and acceptance of the Work in accordance with Paragraph 14.7 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 14.7.

Article 7 – **INTEREST**

7.1 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate of 3 percent (3%) per annum.

Article 8 – **CONTRACTOR'S REPRESENTATIONS**

8.1 In order to induce Owner to enter into this Agreement, Contractor makes the following representations:

A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. Contractor has visited the Site and become familiar with and is satisfied as to all general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) as provided in Paragraph 4.2 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site as provided in Paragraph 4.6 of the General Conditions.

E. Contractor has obtained and carefully studied (or assumes responsibility for doing so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and underground facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

F. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.

H. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

I. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.

J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

Article 9 – **CONTRACT DOCUMENTS**

9.1 Contents

A. The Contract Documents consist of the following:

1. This Agreement (pages 00 52 10 - 1 to 00 52 10 - 5, inclusive).
2. Performance Bond (pages 00 61 00 - 1 to 00 61 00 - 3, inclusive).

3. Payment Bond (pages 00 61 50 - 1 to 00 61 50 - 3, inclusive).
4. General Conditions (pages 00 72 00 - 1 to 00 72 00 - 42, inclusive).
5. Specifications as listed in the table of contents of the Project Manual.
6. Supplemental Utah Labor Conditions (page 00 73 05 - 1)
7. Drawings as listed in on the Drawings Title Sheet and bearing the following general title: Pavement Management
8. Addendum (1, 2, 3, inclusive)
9. Exhibits to this Agreement (enumerated as follows):
    a. Contractor's Unit Price Bid Form (pages 00 41 43 - 1).
    b. Contractor's Unit Price Bidding Schedule (page 00 41 44 - 1).
10. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
    a. Notice to Proceed (page 00 55 00 - 1).
    b. Work Change Directives.
    c. Change Order(s).

B. The documents listed in Paragraph 9.1.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no Contract Documents other than those listed above in this Article 9.

D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 3.4 of the General Conditions.

Article 10 – **MISCELLANEOUS**

10.1 Terms

A. Terms used in this Agreement will have the meanings stated in the General Conditions. Those not defined in the Contract Documents shall have the meaning generally accepted as defined in a dictionary of general use.

10.2 Assignment of Contract

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.3 Successors and Assigns

A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.4 Severability

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

In Witness Whereof, Owner and Contractor have signed this Agreement in duplicate. One counterpart each has been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or identified by Owner and Contractor or on their behalf.

This Agreement will be effective 9/2/26 (which is the Effective Date of the Agreement).

Owner:	Contractor:
Vernal City	______________________
By: ______________________	By: ______________________
Title: ______________________	Title: ______________________
Attest: ______________________	Attest: ______________________
Title: ______________________	Title: ______________________
Address for giving notices:	Address for giving notices:
Vernal City 374 East Main Street Vernal, Utah 84078	CONDIE CONSTRUCTION COMPANY, LLC 53 NORTH 1650 WEST SPRINGVILLE, UT 84663
	License No: 293215-5501
	Agent for service or process: ______________________
	(If Contractor is an entity, attach evidence of authority to sign.)

END OF DOCUMENT

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VCPD Storage Building - Proposal Summary

Contractor	Price	Exclusions	Notes
Mountain State Steel Buildings LLC.	$147,259.79	Exclusions: Overhead doors, Chainlink enclousures, Electrical, Demo, Stormwater reroute, Gas lines , R-19 Walls and R-19 Ceiling we would need an R-39 Min.	This was simply a quote on the building and foundation.
BC Buildings	$316,000.00	Security cameras and camera installation; door key card equipment; access control equipment and programming; utility company fees and other governmental fees; surveying, geotechnical testing, soil testing, and environmental testing; rock excavation; unsuitable soil removal; contaminated soil removal; and unexpected underground obstructions (such as storm drains); dewatering, groundwater control, and remediation of unstable or unsuitable soils; asphalt, paving, striping, landscaping, fencing, and site restoration beyond the listed scope; fire sprinkler systems; fire alarm systems and monitoring systems; plumbing, water service, floor drains, and compressed-air systems; interior partitions, doors, finishes, cabinets, shelving, and storage equipment not specifically listed; HVAC systems other than the listed unit heater; painting or coating not specifically listed; snow removal and weather-related site maintenance; any work required due to changes in codes, owner requirements, or site conditions after the date of this estimate; cold-weather protection and conditions; floor drains and sump pumps.	add on sump $19,000.00, Also looks like he excluded the Chainlink enclousures.
Sorensen Design and Construction Inc.	$350,000.00		All Inclusive as called out in the RFP,
Premier West	$479,748.00		
Freedom Infrastructure Services	$563,490.00	Winter conditions, Snow Removal, Geo Tech, Compaction and concrete testing, New curb and Gutter, ADA Ramps, Power line Re-Route,power service to the new panel, Fiber Re-Route costs. Storm Drain Re-route beyond simple capping of the existing line, Vehicle lift preparation or vehicle lift. oil separator , Final Gas lineconnection to the utility, final Trench drain connectionto the utility, Window. Additional overtime costs resulitng frim an accelerated schedule, Dewatering of Excavations, cost or liabilty associated with unmarked or unknown utilites or irrigation systems. Fire suppression system. culinary water plubing to the new building, any additional electrical, mechanical, or civil work beyond the proposed scope(Available a additive pricing.)	Plus Adds 3' Stem wall $21,200.00, Insulated Metal Panel Option $77,145.00, Trusscore interior Panel $26,793.00
Tushar/Jones & DeMille Engineering	$899,471.00	Impact Fees and /or utility comapny fees are excluded, costs to relocate existing power and gas lines are excluded, Fire sprinkler system is excluded, A restroom in the new building may be required if the new building is not attached to the existing buildng. All work Associated with a restroom is not included, Geothechnical investigatio0n and report is excluded.	
ALCO Construction	$920,370.37	A&E Fees are included in indirect overhead. A $25,000.00 winter-Conditions allowance and permit/plan-review fees are included. Exclusions:Builders Risk Insurance, Securtiy, after-hours costs, Fire Alarm, and Fire Suppression.	

August 30, 2026

To The Vernal City Council,

We are Vernal, the hub of incredible community events, the town that constructs new skate parks, pickleball courts and more. These attractions are only part of what is to come as we anticipate continued Cobble Block improvements. As I’ve observed and experienced the process of changes being made, I’ve come to wonder what and who these developments are intended for?

As community members living on what is supposed to be the amazing Cobble Block, We feel undervalued. The lack of safety consideration for the residents on this block and surrounding area has been astounding.

The intersection at 100 s Vernal Ave is not safe for motor vehicle let alone walking. We have watched from our backyard as car accidents are becoming commonplace there, exacerbated by the addition of parking lines that has blocked the line of sight completely, the majority of the time.

The intersection at 200 s Vernal Ave and lack of sidewalks or remotely decent sidewalks on either side of the road on Vernal Ave from main to the All Wheels Park. These issues were problematic and unsafe even prior to the All Wheels Park being constructed. My kids have attended Head Start and Central Cove preschool prior to its demolition. I live an extremely short distance from those locations. Regardless, we had to drive because crossing Vernal Ave on foot proved time and again to be unsafe. We are encountering the problem at a new height now that the All Wheels Park construction is complete. It is just not safe to get there on foot or on bikes from where we live! We live so close yet it feels difficult to access.

The sidewalks on 100 E between 100 and 200 s. I am so concerned that Raptor Heights will be erected, Cobble Block will be completed, and our sidewalk will still be in ruin. How are we supposed to feel?

The consideration of 291 s Vernal for heavy commercial use, reinforces the narrative that we as community members are not the priority. A heavy commercial use facility would greatly increase traffic, as will Raptor Heights, in existing unsafe conditions.

The removal of the stop sign near the Conference Center and Western Park is another signal that our children have been overlooked. In the last three years we have had at least 7 families similar to ours who have moved into Cobble Block or nearby. Overlooked have been the children that ride their bides and scooters around the neighborhood, the children who walk home from the school bus stop, families who are establishing lives here and are continuously renovating the homes here with care and intention, families who are genuinely trying to build community, despite what feels like opposition from the city.

Please help us truly build community as members by refocusing the city improvements on a foundation and priority of safety first and foremost. As in the locations specified above, we ask that intersections be made safe for all modes of transportation, that sidewalks be repaired and installed, and that a greater focus be had moving forward to keeping our families safe for the access community amenities.

Thank you for your time,

Katelyn Carson