TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board Meeting Materials

September 17, 2026

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Meeting Agenda

Thursday, September 17, 2026, at 9:00 a.m.

102 Tower – 6th Floor Boardroom

102 South 200 East, Salt Lake City, Utah 84111

1. Welcome

2. Approval of Minutes

August 20, 2026 Board Meeting Minutes

3. Confirmation of Upcoming Meeting Dates

October 22, 2026 - Regular Meeting

November 19, 2026 - Regular Meeting

December 2026 - No Board Meeting

4. How Trust Lands Funds are Distributed, and School Trust Funds Plans are Developed by Kira Bennett, Director, School LAND Trust Program, USBE

5. Social Media Minute by Joelette Organista, Communications Specialist, Trust Lands Administration

6. Public Comment Period

Trust Lands welcomes comments from the county advisory committee, the public, and other interested parties. The Board has allotted 15 minutes for public comments. Each presenter is permitted one opportunity to speak and may provide remarks for up to three (3) minutes. Members of the public participating electronically who wish to comment should use the "Raise Hand" feature during the Zoom meeting. The board meeting's public comment portion is not intended for question and answer discussion. Trust Lands staff are available for dialogue outside of Board meetings.

7. Chair's Report by Dr. Mike Nelson, Chair, Trust Lands Administration Board of Trustees

8. Director's Report by Michelle McConkie, Executive Director, Trust Lands Administration

A. FY2026 - Year in Review

9. Advocate Report by Liz Mumford, Director, School and Institutional Trust Beneficiaries' Advocacy Office

10. Action Items

A. Proposed Special Use Lease Agreement Other Business Arrangement (OBA) located in Carbon County, Utah (640 +/- acres) with Valar Atomics, Inc. by Bryan Torgerson, Assistant Managing Director, Mike Healy, Lease Manager, and Jim Davis, Managing Director, Surface Resources

B. Proposed Lithium Brine Exploration Agreement with Option to Lease OBA (ML 54767-OBA) located in Grand and Emery Counties, Utah (3,940.82 +/- acres) with A1Lithium Inc. by Drew Bonner, Lease Manager, Energy and Minerals

C. Proposed Major Development Transaction located at the St. George Regional Airport northwest parcel, Washington County, Utah (82 +/- acres) with BoxHouse, Inc. by Gregg McArthur, Assistant Managing Director, Residential and Commercial Development

D. Proposed Board Policy on Agency Risk Management Plan by Stephanie Barber-Renteria, Deputy Director, Operations

E. Proposed Board Strategic Plan Policy by Michelle McConkie, Executive Director

11. Notification Items

A. Notice of a Proposed Minor Development Transaction located on the northeast corner of the St. George Airport East development block in Washington County, Utah (1.3 +/- acres) with Dixie Power by Gregg McArthur, Assistant Managing Director, Residential and Commercial Development

B. Notice of Amendment to Development Lease No. 1263 (DEVL 1263), a Minor Development Transaction located in Kanab, Kane County, Utah (101 +/- acres) with MW-Kanab LLC by Aaron Langston, Managing Director, Residential and Commercial Real Estate

13. Adjourn

Note: Board members may participate in this meeting electronically but may be seen and heard via electronic means at the anchor location specified above. Interested parties, including members of the public or representatives of county governments or Utah Tribes, may attend the meeting in person or through the registration link: https://utah-gov.zoom.us/webinar/register/WN_91_dOWNITFaK-z-dIENk0g.

Those wishing to provide public comment electronically will be asked at the beginning of the designated comment period to use the "raise hand" feature at the bottom of the screen within the Zoom meeting, so they may be called upon to provide their comments.

Please call Imaan Ahmed at 801-538-5110 or email ifahmed@utah.gov with any questions before 4:00 p.m. on September 16, 2026.

Items may be heard in any order, at any time, at the Board's discretion. Please be aware that the public portions of this meeting may be broadcast live over the Internet. Also, please note that an audio recording of the public portions of this meeting, along with any materials presented or distributed in the public portions of this meeting, will be posted on Utah's Public Notice website. Witnesses with questions, concerns, or handouts should contact staff.

Pursuant to the Americans with Disabilities Act, individuals needing auxiliary communication aids and services for this meeting should contact Imaan Ahmed at 801-538-5110 or by email at ifahmed@utah.gov at least three (3) days in advance.

I, Imaan Ahmed, Trust Lands Administration Board of Trustees Executive Assistant, hereby certify that the foregoing agenda was posted on the Utah State Public Notice website, https://www.utah.gov/pmn/index.html.
Dated: 9/14/2026

Board Meeting Minutes

August 20, 2026

TRUST LANDS
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

August 20, 2026 Board of Trustees Meeting Minutes

Board Members Present at Anchor Location

Mr. Bryan Harris, Chair
Dr. Mike Nelson, Vice Chair
Mr. Dan Simons
Ms. Tiffany James
Mr. Mike Mower
Mr. John Baza
Mr. Brian Tarbet
Ms. Kelly Williams (new board member being sworn in)
Mr. Spencer Moffat (new board member being sworn in)

Board Members Absent

Attending Public

Shawn Teigen, Utah Foundation
Ben Jacobs, Valar Atomics
Jake Garfieldm Utah OED
Larry Jensen, Commissioner, Carbon County
Tony Martines, Commissioner, Carbon County
Jared Haddock, Commissioner, Carbon County
Joseph Allan, SITBAO
Liz Mumford, SITBAO
John Andrews, Advocacy Council
Kyle Gallagher, Valar Atomics
Harry Hansen, Valar Atomics
Cory Gardner, Valar Atomics
Jess Housekeeper, Valar Atomics
Jackson Housekeeper, Valar Atomics

Tucker Housekeeper, Valar Atomics
Hayley Housekeeper, Valar Atomics
Annie Housekeeper, Valar Atomics
Juke Housekeeper, Valar Atomics
JC Housekeeper, Valar Atomics
Tim Cook, Valar Atomics
Austin Wright, Valar Atomics
Megan Engman, Valar Atomics
Jordan Engman, Valar Atomics
Caleb Jaarda, Valar Atomics
Koby Butler, Valar Atomics
Dan Lipovsky, Valar Atomics
Aaron James, Cardinal EC

Welcome
At 9:04 a.m., Chair Harris welcomed the board, staff, and visitors, and opened the meeting.

Approval of Minutes
A motion to approve the board meeting and tour minutes from June 18, 2026, was introduced by Mr. Baza and seconded by Trustee Simons. The motion passed unanimously, with Ms. James abstaining.

Yea	Nay	Excused
Chair Mr. Harris Vice Chair Dr. Nelson Mr. Mower Mr. Simons Mr. Baza Mr. Tarbet		Ms. James

Confirmation of Upcoming Meeting Dates
September 17, 2026 - Regular Meeting
October 22, 2026 - Regular Meeting
November 19, 2026 - Regular Meeting
December 2026 - No Board Meeting
Trustee Mower noted that he will not be able to attend the board meeting set for October 22, 2026.

Social Media Minute
During the “Social Media Minute,” Ms. Joelette Organista played a short video from the “What the heck happens on Utah Trust Lands” series focused on oil and gas. She explained that most Trust Lands oil and gas leases are in Uintah, Duchesne, Grand, and Carbon counties, and that these leases allow responsible energy development while generating royalties that go directly to Utah public schools (funding paraprofessionals, reading aides, texts, etc.).
Chair Harris noted that energy production is very important on Trust Lands, emphasizing that oil and gas are a major part of that portfolio.

Public Comment Period
During public comment, Commissioner Larry Jensen (Carbon County) spoke on behalf of all three commissioners, describing how the collapse of local coal production and closure of two power plants have sharply eroded the county’s tax base and shifted a heavy tax burden onto residents. He emphasized that the proposed Valar Atomics project is critical to rebuilding industrial valuation, reducing property tax pressure, and supporting Trust Lands revenues for schools.

Commissioner Tony Martines highlighted Carbon County’s 140-year identity as an energy community, noting its transition from coal to oil and gas and then to solar. He stressed that the area has the infrastructure, technology, and workforce to support new energy projects, and he urged the board to recognize the Valor project as crucial to the county’s future growth.

Commissioner Jared Haddock echoed his colleagues, emphasizing the county’s long-term collaboration with Valor Atomics from the early site-selection phase. He praised Valor’s openness and extensive public education efforts—particularly around safety and new nuclear technologies—as key to building trust for a project that might otherwise seem “scary” to residents.

Jake Garfield, Deputy Director of the Utah Office of Energy Development, described his agency’s 11-month experience as Valor’s landlord at the San Rafael Energy Lab, where Valor built and operates the Ward 250 reactor. He called Valor a strong partner with robust community outreach and regulatory diligence, and he argued that small modular nuclear reactors like Valor’s offer a path for data centers to grow without adding air emissions or heavy water use.

Online commenter Sean Jordan, a Utah educator and CEO of Heritage Memorial Academy Corporation, linked his own situation as a low-paid, benefit-less paraeducator to the importance of Trust Lands funding. Drawing on his prior work in oil, gas, mining, and environmental fields, he emphasized that Trust Lands distributions are essential to sustain paraprofessional and stable school staffing in communities where educators struggle with long commutes and limited hours.

Jess Housekeeper, Director of Utah Operations for Valor Atomics and an Emery County native, said he had to leave the region for about 15 years because of limited local employment but returned as Valor began creating high-quality jobs. He argued the project can reverse the long-standing “export” of local youth by providing diverse technical and supporting roles, generating multiple secondary jobs per primary position, and position Utah as an epicenter of clean, reliable energy that improves quality of life locally and beyond.

Board Business

Outgoing Trustees Harris and James offered brief farewell remarks, describing their service on the board as a meaningful and rewarding part of their careers, expressing gratitude to fellow board members, staff, the Advocacy Office, and attendees, and voicing support for the Trust's mission and confidence in its future success. On behalf of the Governor and state citizens, Trustee Mower thanked them for their substantial volunteer service and professional expertise, noting the board's high impact and the significant time and travel they have devoted on behalf of schoolchildren and other beneficiaries.

Chair Harris administered the oath of office to new Trustees Spencer Moffett and Kelly Williams, who were sworn in as members of the School and Institutional Trust Lands Administration Board of Trustees.

Following their swearing-in, a motion to nominate Dr. Mike Nelson as chair was offered by Dan Simons and seconded by Mr. Tarbet; the motion passed unanimously with Dr. Nelson excused.

Yea	**Nay**	**Excused**
Mr. Tarbet		Dr. Nelson
Mr. Mower		
Mr. Simons		
Mr. Baza		
Ms. Williams		
Mr. Moffat		

A motion to nominate Mr. Dan Simons as the new vice chair was made by Mr. Mower and seconded by Mr. Tarbet; the motion passed unanimously with Mr. Simons excused.

Yea	**Nay**	**Excused**
Mr. Tarbet		Mr. Simons
Mr. Mower		
Chair Nelson		
Mr. Baza		
Ms. Williams		
Mr. Moffat		

Director's Report

Item 7A.

Director Michelle McConkie gave a brief update noting that the planned "Trust Lands Funds in Action" presentation by Paula Plant on school community councils was postponed to next month, recognized the recent passing of Mel Brown ("father of school Trust Lands"), and highlighted Paula's quiet upcoming retirement, explicitly acknowledging and thanking her for many years of dedicated service as School

LAND Trust program director and for decades of advocacy and leadership that helped shape the modern Trust Lands system. Ms. McConkie also welcomed Kira Bennett as the new School LAND Trust program director, publicly congratulated Chance Rinderknecht on earning his PhD, formally welcomed new Trustees Kelly Williams and Spencer Moffett, and thanked outgoing Trustees Tiffany James and Bryan Harris for their years of service and sacrifice and awarded them with a parting gift on behalf of the Trust Lands Administration.

Item 7B.

Ms. Elise Erler, Director of Research and Analytics, introduced Mr. Shawn Teigen, President of the Utah Foundation. Mr. Teigen presented the results of an independent economic impact study of selected Trust Lands projects. He explained that the Foundation, a nonpartisan public policy research group, examined case studies in oil, gas, and coal; residential and commercial real estate (including Desert Color and land near the St. George Regional Airport); and renewables around the Intermountain Power Plant, using conservative assumptions to avoid overstating impacts. Details of this report can be found at: https://www.utahfoundation.org/wp-content/uploads/rr846.pdf.

Trustee Mike Mower highlighted the value of the Utah Foundation economic impact report and recommended its broad distribution, proposing that it—or at least an executive summary—be shared with every school community council chair across the state.

Advocacy Office Report

Director Liz Mumford expressed support for the Valor Atomics lease, citing its economic potential and transparency. She endorsed the proposed budget and new revenue-focused staffing positions. Mumford welcomed new Advocacy Council members Dave Donegan, Sylvia Reed, John Andrews, and Mark Waite, and noted Kira Bennett will fill Paula Plant's council seat. She also reported a new administrative rule for institutional beneficiary distribution accountability. Finally, she honored Paula Plant for her decades of foundational leadership and service to the trust system.

Discussion Items

Item 9A.

A detailed presentation was delivered by Mr. Jim Davis and Mr. Bryan Torgerson regarding a proposal to enter into a Special Use Lease Agreement (SULA 2095 OBA) in Carbon County, Utah, with Valar Atomics. The topic had previously been reviewed in July during two Surface Committee meetings. Additional details regarding the presentation are available at https://www.utah.gov/pmn/files/1479233.pdf (slides 39–51).

Trustee Baza asked about the general application and variety of special use lease agreements (SULAs), specifically asking about the purpose and frequency of lease-to-purchase options. Mr. Davis explained that SULAs support a wide range of infrastructure—from telecom towers to industrial and compressor sites—with around 150 industrial and 50 commercial SULAs currently serving the Trust. However, he noted that embedding a purchase option involving property transfer is a rare exception for the surface portfolio, which requires an Other Business Arrangement (OBA).

Chair Nelson inquired about the typical setting for SULA properties and whether they tend to be isolated or developed. Mr. Davis clarified that locations range from isolated hilltops to busy utility substations and energy corridors, confirming that the trust manages sites across the entire development spectrum. Trustee Mower asked about current revenue from the parcel, and staff noted it yields approximately $4,000 per month from the Utah National Guard.

In response to an online question from Ms. Mara Hammer regarding post-construction employment, Valar representatives Max Ukropina and Jess Housekeeper indicated that while full development plans are still being finalized, their current facility employs roughly 40 full-time local residents and uses 50 to several hundred local contractors within a 20–30-mile radius, supported by six recruiters. They highlighted the Carbon County facility's potential for ongoing growth in manufacturing and energy production, and Mr. Housekeeper invited interested members of the public to tour their facilities.

Trustee Mower and Chair Nelson expressed appreciation for Valar Atomics' open communication, public engagement, and willingness to share technical knowledge.

Action Items

Item 10A.

Ms. Michelle McConkie introduced a proposed Board Budget Review Policy that formalizes how the annual budget is prepared and reviewed, noting that draft language was shared with the board months earlier and a final version included in the current packet. Slide 53 of the presentation (available at: https://www.utah.gov/pmn/files/1479233.pdf) provides additional details on this topic.

Vice-Chair Simons moved to adopt the Board Budget Review Policy as presented in the board packet. The motion was seconded by Mr. Baza and approved unanimously by the board.

Yea	Nay	Excused
Mr. Tarbet		
Mr. Mower		
Chair Nelson		
Vice Chair Simons		
Mr. Baza		
Ms. Williams		
Mr. Moffat		

Item 10B.

Ms. Deborah Memmott shared a presentation reviewing the FY2028 Budget Approval. Details of the presentation can be found at: https://www.utah.gov/pmn/files/1479233.pdf (slides 55-58).

During discussion of the FY2028 budget, trustees confirmed with Ms. Memmott that the budget is still internal and will next be vetted with the Governor's Office of Planning and Budget and the Legislative Fiscal Analyst, where individual requests may be refined. In response to questions about a proposed long-term fund for water and other capital/stewardship needs, staff explained it would require new legislation, is intended to replace the current year-to-year $5M capital and $1.299M stewardship appropriations with a rolling fund to better seize time-sensitive opportunities (e.g., water shares, access roads), and that specific dollar caps are still being developed. On IT, it was clarified that the large line item includes a one-time $4.3M appropriation for business/land management system upgrades plus about $1.4M in rising ongoing IT costs driven by subscription software, cybersecurity, and cloud services; it was noted that unspent portions of the $4.3M can be carried forward under nonlapsing authority while the project is active. Ms. Memmott also confirmed that any unspent one-time funds not tied to that project revert to beneficiaries, and that all requested new FTEs are being justified explicitly in terms of strategic priorities and revenue generation (e.g., proactive real estate development, exchanges, in-house cultural work) before being advanced in the state budget process.

Trustee Tarbet moved to approve the FY2028 base budget and additional FY2028 budget requests as set forth in the board materials, the motion was seconded by Vice-Chair
Simons, and passed by unanimous voice vote.

Yea	**Nay**	**Excused**
Mr. Tarbet		
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Ms. Williams		
Mr. Moffat		

Item 10C.
Dr. Chanse Rinderknecht shared details of the presentation regarding the Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2021-OBA) located in Juab and Millard Counties, Utah, with Scoville Resources LLC. Details of this OBA proposal were reviewed in the Energy and Minerals Committee meeting in July, and details of presentation can be located at: https://www.utah.gov/pmn/files/1479233.pdf (slides 59-65).

In response to an inquiry from Trustee John Baza regarding Scoville's scope beyond isolated Trust Lands parcels and how the rate structure encourages development on those properties, Dr. Rinderknecht explained that the project encompasses adjacent federal leases. He noted that SITLA's fee framework—featuring nominal initial rental rates linked to mandatory technical commitments and escalating to higher production royalties—is designed to incentivize Scoville to conduct exploration and production on Trust Lands, thereby maximizing long-term returns for beneficiaries.

Upon a motion introduced by Mr. Baza and seconded by Mr. Moffat, the board voted unanimously to approve RNBL 2021-OBA as set forth in the board memorandum, with Ms. Williams recusing herself from the vote.

Yea	**Nay**	**Recused**
Mr. Tarbet		Ms. Williams
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Mr. Moffat		

Item10D.

Dr. Chanse Rinderknecht shared details of the presentation regarding the Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2022-OBA) located in Millard County, Utah, with Scoville Resources. Details of this OBA proposal were reviewed in the Energy and Minerals Committee meeting in July, and details of presentation can be found at https://www.utah.gov/pmn/files/1479233.pdf (slides 66-70).

A motion to approve RNBL 2022-OBA as outlined in the board memorandum was made by Mr. Baza and seconded by Mr. Tarbet. The motion carried unanimously, with Ms. Williams recusing herself from the vote.

Yea	**Nay**	**Recused**
Mr. Tarbet		Ms. Williams
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Mr. Moffat		

Item 10E.

Mr. Tyler Wiseman shared details of the presentation regarding the Proposed Metalliferous Minerals Exploration Agreement with Option to Lease OBA (ML 54730 OBA) located in Beaver County, Utah, with Freeport-McMoRan Mineral Properties Inc. Details of this OBA proposal were reviewed in the Energy and

Minerals Committee meeting in July, and details of presentation can be found at: https://www.utah.gov/pmn/files/1479233.pdf (slides 71-75).

In response to an inquiry from Trustee Williams regarding whether the company would surrender its existing unpatented mining claims upon execution of the agreement, Mr. Wiseman confirmed that Freeport-McMoRan will immediately relinquish the 20 affected claims through a dedicated abandonment and relinquishment contract.

Upon a motion introduced by Mr. Baza and seconded by Ms. Williams, the board voted unanimously to approve ML 54730 OBA as detailed in the board memorandum.

Yea	**Nay**	**Recused**
Mr. Tarbet Mr. Mower Chair Nelson Vice-Chair Simons Mr. Baza Mr. Moffat Ms. Williams		

Item 10F.

Mr. Gregg McArthur presented the terms of a Proposed Major Development Transaction involving BoxHouse, Inc. for the northwest parcel at the St. George Regional Airport in Washington County, Utah. Following a review during the Real Estate Committee's July meeting, this action item was recommended for presentation to the full board. The complete presentation details are available at: https://www.utah.gov/pmn/files/1479233.pdf (slides 76–85).

A motion was made by Mr. Tarbet and seconded by Vice-Chair Simons to authorize staff to begin formal negotiations with BoxHouse, Inc. as outlined in the board memorandum. The motion passed unanimously.

Yea	**Nay**	**Recused**
Mr. Tarbet Mr. Mower Chair Nelson Vice-Chair Simons Mr. Baza Mr. Moffat Ms. Williams		

Notification Items

Item 11A.

Notice of a Proposed Minor Development Transaction located in Big Water, Kane County, Utah, with Mr. Robert Reed. Details of presentation can be located athttps://www.utah.gov/pmn/files/1479233.pdf (slides 86-90). Given this was a notification item, no board action was required.

Item11B.

Ms. Alexa Wilson shared a presentation regarding a Notice of a Minor Development Transaction located along Highway 12 near Bryce Canyon National Park, Garfield County, Utah, with Philo Development. Details regarding this presentation are available at https://www.utah.gov/pmn/files/1479233.pdf (slides 91–99). Because this was presented solely as a notification item, no action was taken by the board.

Vice-Chair Simons inquired regarding the potential acquisition of irrigation or water shares in the event of a default. Mr. Aaron Langston indicated that the lessee is open to this arrangement, noting that purchasing non-owned water rights currently on the market is part of the ongoing negotiations.

Adjourn

The meeting was adjourned at 11:53 a.m. following a motion by Mr. Mower, which was seconded by Vice-Chair Simons. The motion passed unanimously.

Yea	Nay	Excused
Mr. Tarbet		
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Ms. Williams		
Mr. Moffat		

Notification Item 10A

Special Use Lease Agreement (SULA 2095 OBA) with Valar Atomics

Carbon County, Utah

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: September 17, 2026

From: Bryan Torgerson, Assistant Managing Director, Surface Resources
Mike Healy, Lease Manager- Industrial SULAs
Jim Davis, Managing Director- Surface Resources

Re: Special Use Lease Agreement Other Business Arrangement No. 2095 (SULA 2095-OBA)

Applicant: Valar Atomics Inc.

Location: T14S, R11E, Section 16: All*
Carbon County

Acreage: 640* acres (+/-)

Beneficiary: Public Schools Trust

Summary

The agency proposes a Special Use Lease Agreement Other Business Arrangement (OBA) consisting of up to 640 acres of trust lands in Carbon County (SULA 2095-OBA) with Valar Atomics Inc. (Valar Atomics). The purpose of the OBA is the operation of an integrated nuclear energy, advanced manufacturing, critical mineral refining, and data center computing campus. Pursuant to Utah Code § 53C-1-303(3)(e) and Utah Administrative Code R850-30-305, the agency may enter into an OBA with Board approval. The proposed lease agreement is an OBA because it would include an option for the applicant to purchase trust lands.

Key Information and Background

The proposed OBA is located approximately five miles north of Wellington in Carbon County and includes up to 640 acres of trust lands (see attached map). The applicant desires to use the subject property for the development, manufacture and operation of high-temperature gas cooled nuclear reactors (HTGR) to generate electrical power and related commercial activities which could include workforce development and training facilities, on-site concrete batch plants, advanced manufacturing including component and subcomponent manufacturing, TRISO (tristructural isotropic) fuel manufacturing, hydrogen and synthetic fuels production and partnering with data centers, water desalination, and steel manufacturing.

Prior to any construction the applicant must obtain all required permits and approvals from local, state, and federal entities with regulatory oversight of the various project components, as further detailed herein. The OBA agreement secures the subject property as a potential location for the facilities, which is a necessary first step for the applicant to proceed with the other required permitting and licensing processes, and ultimately allows them to construct the facilities on the subject property **only if** they successfully obtain all required permits, licenses, and approvals.

Applicant

Founded in 2023, Valar Atomics features a team of engineers and scientists with specialized backgrounds in nuclear engineering, reactor physics, and advanced manufacturing. They are focused on the development of small modular reactors (SMRs) to deliver reliable, carbon-free energy to industrial and commercial off-takers. They are actively developing modern manufacturing techniques for existing technologies, including both nuclear reactors and nuclear fuel.

In August of 2025, Valar Atomics was selected for the U.S. Department of Energy (DOE) Reactor Pilot Program, established under President Trump's Executive Order 14301, to achieve criticality on American soil by July 4, 2026. In November 2025, Valar Atomics achieved criticality at Los Alamos National Laboratory using its NOVA core, demonstrating early-stage validation of its nuclear design and neutronics performance. On June 18, 2026, Valar Atomics' Ward 250 reactor – a complete, fully integrated system configured for power operations—achieved criticality and completed zero-power testing at the San Rafael Energy Lab in Emery County. The reactor reached full power operations on June 21, 2026, and generated electricity on July 1, 2026, demonstrating that it can sustain a controlled nuclear chain reaction, produce thermal heat, produce electricity, and do so safely.

The U.S. Department of Energy (DOE) has reviewed and approved preliminary safety documentation for the Valar Atomics Research Reactor, including the Documented Safety Analysis (DSA) for the Ward 250 design, including the one at their San Rafael facility. In addition, Valar Atomics has received a Certificate of Readiness (COR) associated with these safety submissions and has brought and sustained that reactor through an initial testing campaign. The applicant represents that these approvals reflect their ability to meet rigorous federal safety and documentation standards and position them to advance toward licensing, demonstration, and commercial deployment phases.

Subject Property*

The subject property consists of 640 acres in Carbon County as depicted on the attached map. Current authorizations on the property include easements for fiber optic lines, a power line, and a county road, along with a livestock grazing permit and an existing special use lease on a portion of the property issued to the Utah National Guard (UNG).

The UNG lease (SULA 1321) occupies 160 acres of the 640-acre section (the southeast quarter of the section). That agreement allows UNG engineering battalions to conduct maneuvers, mobility, and survival training. They may construct bunkers and ditches, etc., but may not discharge munitions. There are no existing structures on the lease site. TLA staff are working with UNG to find a suitable area to relocate their lease, which would make the full 640-acre section available for lease to Valar Atomics. It is anticipated that the costliest part of relocating the UNG lease would be conducting the required cultural resource survey on the new lease property, if required. The survey work would either be conducted by TLA's in-house archaeologists or by a contractor, with the associated costs reimbursed by Valar Atomics.

The lease agreement with Valar Atomics would include the 480-acre portion of the subject property that is not encumbered by the UNG lease, with an option for the 160-acre UNG leased portion of the property to be included at a later date if the UNG lease is successfully relocated.

Prior to construction, the livestock grazing permit (GP 22396) would be terminated per agency rules and in accordance with the terms of the permit. TLA will provide as much notice as possible to the permittee prior to termination.

Notice and Advertising

TLA solicited competitive applications to purchase, lease, or exchange for the subject property through notices posted in the local newspaper, the TLA website, and sent to existing lessees/permittees and adjoining landowners per agency rule R-850-30-500. No competitive offers were received prior to the application deadline.

Notice was posted to the State of Utah's Resource Development Coordinating Committee (RDCC) dashboard for a 30-day period and sent to the Carbon County Commission and the Southeastern Regional Development Agency (SERDA). The Utah Division of Water Rights (UDWRi) submitted a comment through the RDCC system noting that if Valar Atomics intends to conduct activities requiring the diversion of water or a change to an existing water right, they will need to submit the appropriate applications to the Utah Division of Water Rights and obtain approvals prior to the commencement of the project. TLA staff have had multiple discussions with Carbon County commission members regarding the proposed project, and the commission has submitted a letter of support for the project.

Carbon County, SERDA, and the Utah Office of Energy Development (OED) have hosted a series of public workshops to inform the public about nuclear energy technology of which Valar Atomics has actively participated, and Valar Atomics has also hosted a public open house to discuss their operations at the San Rafael Energy Lab. Valar Atomics has indicated that they intend to continue their public outreach and engagement efforts regarding the proposed project.

Water Requirements

As proposed, the high-temperature gas-cooled reactors use a closed-loop helium cooling system which does not require water for reactor cooling, eliminating the largest potential consumptive water demand associated with conventional power generation. The proposed water needs would be determined as the facility is engineered and designed but is anticipated to utilize closed-loop recycling systems to minimize freshwater withdrawal and discharge volumes.

The Utah Division of Water Rights administers the measurement, appropriation, apportionment, and distribution of the state's water resources. The subject property falls within Utah Water Rights Area 91. Surface and ground-water resources in this area are considered to be fully appropriated, with the exception of some small appropriations to serve the domestic purposes of one family, the irrigation of one acre, and ten head of livestock. Therefore, Valar Atomics will be required to obtain existing water rights sufficient to meet the project needs and file a change application with the UDWRi to change the approved use, place of use, and point of diversion of the water rights. Change applications are considered by UDWRi on their individual merits with emphasis on their potential to interfere with existing water rights and to ensure that there is no enlargement of the underlying rights. Applications are publicly advertised and potentially affected persons may file protests with UDWRi. UDWRi may choose to hold a public hearing as part of the application consideration process before issuing a decision.

Nuclear Safety

Information provided by Valar Atomics states that the HTGR's inherent safety characteristics provide the nuclear safety foundation for all on-site reactor operations. Key safety features include negative temperature reactivity coefficients, fully passive decay heat removal without operator action or external power (walk-away safety), and TRISO ceramic multi-layer fuel containment that retains fission products.

Federal Regulation and Oversight

The regulation of SMRs involves a dual federal framework featuring the DOE for development funding, pilot authorizations, and research, alongside the U.S. Nuclear Regulatory Commission (NRC) for commercial safety licensing and standard design certifications. These entities enforce strict licensing, monitoring, inspection, safety, and security requirements that Valar Atomics will be required to adhere to in developing, constructing, and ultimately operating the facility. NRC licensing is a public process, requiring Federal Register notice and providing opportunities for public meetings, formal comments, and legal hearings.

Zoning and Local Land Use Requirements

The subject property is located within unincorporated Carbon County and is currently zoned by the county as Mining and Grazing (M&G). Large-scale industrial projects are allowed as a conditional use within the M&G zone. Prior to developing any facilities on the subject property, the applicant must obtain all required local land use approvals, including a conditional use permit (CUP), from the appropriate county authority. As part of the CUP review process the applicant will be required to submit detailed site plans for review by the county planning commission and may be required to post a financial guarantee to the county. Development must meet established engineering, design, and construction standards and any other conditions required by the county. The CUP process is a public process requiring the publishing of notice, a public hearing, and the acceptance of public comments.

Fuel Feedstock Delivery & Handling

High-assay low-enriched uranium (HALEU), low-enriched uranium plus (LEU+) or Low Enriched Uranium (LEU) feedstock may be delivered to the site in certified Special Nuclear Material (SNM) containers per NRC, US Department of Transportation (DOT), and DOE regulations. That uranium feedstock would then be manufactured into TRISO fuel pellets for utilization of the reactors on-site.

Spent Fuel Storage and Radioactive Waste

The management, storage, transportation, and disposal of spent nuclear fuel and radioactive waste are governed by NRC, DOT, DOE, EPA, and Utah DEQ requirements, and any such activity on the site would require applicable federal and state licenses, permits, and approvals prior to commencement.

Per the terms of the OBA agreement, Valar Atomics would be required to purchase any portion of the subject property required for the interim storage of spent fuel prior to any storage operations. The storage of any spent fuel is not allowed on TLA property under the OBA agreement.

Hazardous Materials & Waste Handling

Hazardous and regulated materials storage and handling are governed by the Resource Conservation and Recovery Act (RCRA), the Occupational Safety and Health Administration (OSHA), the National Fire Protection Association (NFPA), the Utah Department of Environmental Quality (DEQ), DOT, DOE, and NRC regulatory requirements.

Small quantities of hazardous waste may be generated from manufacturing operations (spent cutting fluids, waste solvents, paint waste). An RCRA generator determination would be completed prior to operations. If quantities exceed thresholds, wastes would be managed under the RCRA large quantity generator program and shipped to licensed treatment, storage, and disposal (TSD) facilities.

Wastewater

Any Industrial wastewater (cooling water, hydrostatic testing, washdown) generated would be treated and discharged under a Utah Pollutant Discharge Elimination System (UPDES) permit issued by the Utah DEQ Division of Water Quality (DWQ). The issuance of UPDES permits is a public process with a formal public comment window. Core compliance requirements include a Stormwater Pollution Prevention Plan (SWPPP), regular monitoring, and documented field checks.

Stormwater

Stormwater will be managed under a UPDES permit issued by the Utah DEQ. Natural drainage channels provide conveyance corridors. SWPPP will be implemented with best management practices (BMPs) for erosion control, hydrocarbon containment, and material storage runoff management.

Sewage/Domestic Water

A municipal sewer connection may be explored to connect existing sewer infrastructure. Sewage may also be handled through an on-site package treatment plant permitted through the Utah DEQ, sized for the campus workforce. At full buildout, a campus wastewater treatment plant with UPDES discharge authorization may supplement the initial system. Treated effluent would be required to meet Utah R-317 water quality standards.

Air Quality

Manufacturing operations may generate conventional air emissions which would be managed under a Utah DEQ Division of Air Quality (DAQ) permit per Utah Administrative Code R-307. Nuclear reactor operations produce zero combustible emissions. Natural gas and diesel use is anticipated to be limited to backup and peaking generation during construction. Additional natural gas generation will require an air quality permit obtained from Utah DEQ/DAQ by the applicant. The air quality permit process includes mandatory public involvement, including a public notice and comment period.

Seismic and Geologic Hazards

Information submitted by the applicant states that the site is in a low-seismicity zone. No Quaternary-active faults exist within the site boundary. The nearest mapped Quaternary features are the Pleasant Valley fault zone, approximately 20 miles to the northwest, and faults in the Price River area to the southeast. DOE and NRC guidelines for site characterization, including seismicity, are required as part of the federal licensing process for reactor deployment.

Environmental Monitoring

Valar Atomics states that environmental monitoring will follow federal and state regulation and could include air quality, groundwater, and any applicable surface water stations, including reporting as required under federal and state regulations. Radiological environmental monitoring would be conducted per applicable federal license requirements.

Emergency Response

Information provided by the applicant states that on-campus emergency response capability would be established commensurate with federal licensing requirements, incorporating integrated fire protection, HAZMAT response, radiological emergency response, and emergency operations coordination functions. The scope and staffing of these capabilities would be determined through the emergency planning process associated with reactor licensing, including Emergency Planning Zone (EPZ) sizing under federal requirements. Valar Atomics will adhere to all federal, state and local emergency response regulations.

Material Terms of the Transaction

Term

The OBA will have an initial term of 50 years with two optional 25-year extensions, provided the lease remains in good standing. At any time during the lease term, the lessee may opt to purchase all, or a portion of, the property per the purchase option outlined below.

The 50-year initial term with two 25-year extensions is structured to support the intensive capital investment required and the long operational lifespan of a nuclear energy facility. Also, because development is planned across multiple phases progressing from manufacturing construction to reactor fleet deployment, and because it is intended to remain in operation for many decades, the integrated campus will take many years to build.

Payments to Trust Lands Administration

- An upfront bonus payment of $400,000, due upon agreement execution
- Years 1-5: Development Phase rental of $30 per acre
- Year 6: $206.25 per acre (33% of the full rental of $625 per acre)
- Year 7: $418.75 per acre (67% of the full rental of $625 per acre)
- Years 8-10: Full rate of $625 per acre
- Year 11 and every five years thereafter: rental increase based on Consumer Price Index (CPI)

After Year 25, and every 25 years thereafter, TLA reserves the right to adjust rent based on an appraisal of the property or leasehold interest, utilizing comparables from other private, federal, and state leases. The purpose for this adjustment is to recognize long-term market shifts and potential value increases of the property. Any market appraisal adjustment will replace the CPI adjustment for that specific year, and the standard five-year CPI adjustments will resume thereafter.

Purchase Option:

Under the agreement, Valar Atomics will have the option to purchase all, or a portion of, the subject property at any time during the term of the agreement. Additionally, before any portion of the property may be utilized for the storage of radioactive waste, that portion, as determined by TLA, must be purchased by the lessee.

The purchase price of the property will be determined as the greater of:

- The net present value (NPV) of future lease payments for the 50-year period following the purchase date, calculated at a 5.5% discount rate and a projected annual CPI increase of 3%, adjusted every five years, or;
- The fair market value (FMV) of the property based on an appraisal obtained by TLA.

Purchase Year	Purchase Price	Project NPV	NPV / Acre
10	$10,164,109	$6,496,786	$10,151
20	$12,055,410	$6,087,532	$9,512
25	$14,675,590	$6,287,917	$9,825

Bonus and rental payments made during the first fifteen years of the lease will be applied as a credit towards the purchase price. Lease rental payments made after year fifteen will not be applied toward the purchase of the property.

Early Termination

Prior to construction on the property, Valar Atomics may terminate the lease at its discretion by providing 30-days' written notice to TLA. In the case of early termination, TLA would retain all bonus and rental payments paid to date. Once construction occurs, Valar Atomics may terminate the lease at its discretion but will be required to remove all improvements, reclaim the property, and pay the equivalent of two years' annual rental as an early termination payment.

Risk Mitigation/Financial Assurance

In addition to the strict and substantial regulatory oversight of the project by multiple local, state, and federal entities as previously detailed, including any financial assurance required by those regulatory entities, Valar Atomics must maintain robust financial assurance with TLA as a requirement of the lease OBA. Prior to any construction on the site, they will be required to post site restoration, reclamation, and performance bond with TLA based on a site-specific cost estimate developed by an independent third-party contractor. Valar Atomics will be required by the NRC to provide financial assurance for decommissioning. Normally this is required before operations begin.

Board Committee and Board Discussion

The Board's Surface Resources Committee initially discussed the proposed lease OBA agreement on July 20, 2026 and again at a follow-up meeting on July 28, 2026. Representatives from Valar Atomics were present at the July 28 meeting to present information regarding the proposal and answer questions from the committee members.

During the committee meetings several points were discussed regarding the project including safety, water usage, radioactive material handling and storage, the regulatory and permitting requirements of the facility, engagement with the local community, and risk management. Given recent public attention and discourse related to nuclear energy and data centers, the committee discussed the need for full transparency regarding the proposed project and requested that Valar Atomics continue their outreach efforts in the local community with a specific focus on the project proposal. The committee noted the letter of support submitted by Carbon County and the public outreach efforts already undertaken by the applicant regarding their project at the San Rafael Energy Lab and nuclear energy development in general.

The committee indicated that the financial aspects of the transaction were positive for the trust beneficiary, especially considering the property involved, but did direct staff to have further discussion with the applicant regarding some of the proposed financial terms. Overall, the committee was optimistic about the potential of the project and the associated technology but urged prudence as the agency moves forward with a potential transaction.

Committee members indicated that they wanted to ensure the full board had ample time to evaluate the proposal and that stakeholders were informed about the proposed lease OBA. To that end, the committee suggested that staff present the proposal to the full board as a discussion item for initial consideration at the August board meeting, followed by a potential vote on the lease OBA at the September meeting.

Staff presented the proposal to the full board on August 20, 2026 as a discussion item. The board also accepted public comments regarding the proposal at the August 20 meeting. Public officials, including Carbon County Commissioners Larry Jensen, Tony Martines, and Jared Haddock, and Deputy Director of the Utah Office of Energy Development, Jake Garfield, spoke in favor of the proposal. Representatives from Valar Atomics were present and answered questions regarding the proposal.

The board's Energy & Minerals Committee further discussed the proposal on August 25, 2026. The committee discussed the financial aspects of the transaction, centering on how this proposed transaction might compare with a typical solar or geothermal lease issued by the agency. There was further discussion about the technical advantages of small modular reactors compared to traditional reactors. The proponent's public outreach efforts were discussed, and it was noted that representatives from Valar Atomics had met with TLA's Director of Communications and other agency staff to discuss those efforts. Finally, staff and the committee discussed the regulatory frameworks for various aspects of the proposed project.

Staff Recommendation and Rationale

Staff recommends approval of the proposed lease OBA agreement. Doing so will provide the applicant with site control over the subject property needed to conduct detailed site evaluations and due diligence activities and allow them to begin the rigorous permitting and licensing process required to ultimately construct and operate the proposed campus. The permitting and licensing process involves multiple touch points for public input and evaluation by experts to address the protection of public health and safety and the environment, substantially mitigating risks to the Trust.

The proposed transaction represents a strong financial opportunity for the Trust to generate revenue from a property which has heretofore generated little income (approximately $4,000 per year). The applicant is positioned at the forefront of the development of next-generation nuclear technology and has demonstrated their ability to perform in a safe and secure manner at the San Rafael Energy Lab.

Furthermore, the Carbon County Commission is strongly supportive of the proposed project and has provided a letter of support to the Board.

Requested Action

The agency requests that the Board approve the OBA and offers the following proposed motion:

“I move to approve SULA 2095 OBA on the terms set forth in the board memorandum and to have the agency take all further actions necessary to finalize the transaction.”

Appendix A

Carbon Co letter of support

CARBON COUNTY UTAH
Board of County Commissioners

Carbon County
Administration Building
751 East 100 North
Price, UT 84501
Office: (435) 636-3226
www.carbon.utah.gov

June 29, 2026

SITLA Board of Trustees

Dear Board members,

Carbon County has been working with Valor Atomics for over one year and find their project promising. Their desire to locate north of Wellington on SITLA lands would be a good fit for them. We are in favor of this project and would appreciate your approval of allowing them to locate there.

Their project will help add value to our tax base which will lighten the tax burden on our local property owners. The loss of coal mines and supporting industries have reduced the Centrally Assessed Values in the county shifting the tax burden onto the homeowners.

We are in support of Valor's efforts and hope they can find property that will help them locate here.

Thank you very much for your consideration.

Tony Martines

Jared Haddock

Larry Jensen

Jared Haddock
Commissioner
(435) 636-3272
jared.haddock@carbon.utah.gov

Larry Jensen
Commissioner
(435) 636-3273
larry.jensen@carbon.utah.gov

Tony Martines
Commissioner
(435) 636-3271
tony.martines@carbon.utah.gov

TRUST LANDS ADMINISTRATION

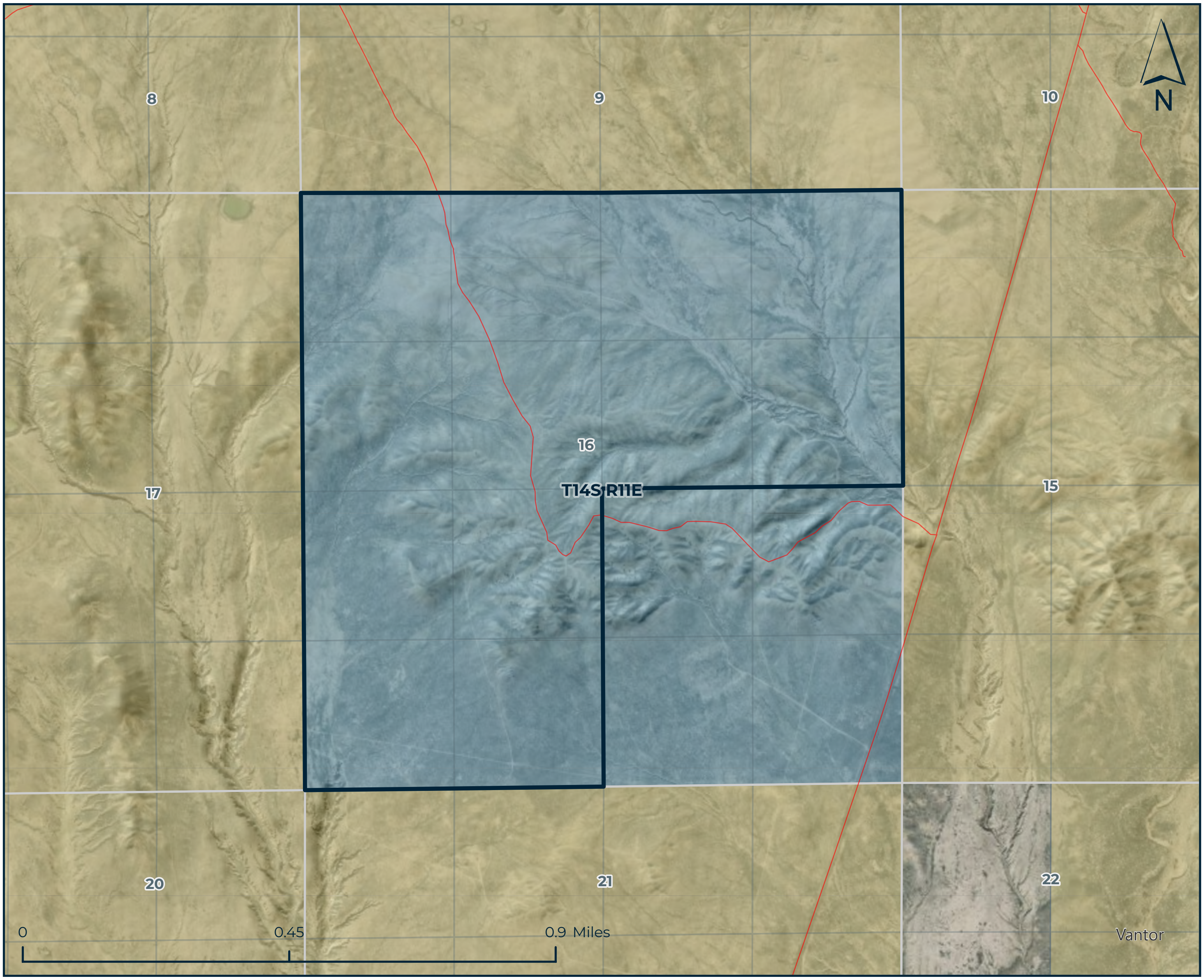
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Special Use Lease Agreement No. 2095

Township 14 South, Range 11 East, SLB&M

N2, SW4 - Section 16 - 480 Acres

Carbon County



Special Use Lease Agreement No. 2095

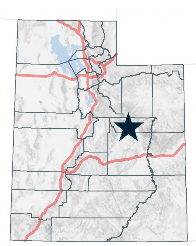
Special Use Lease Agreement No. 2095

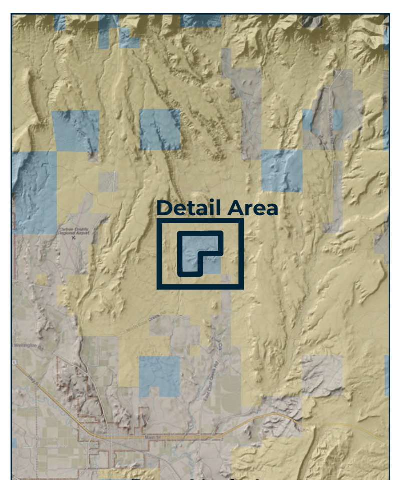
Land Ownership and Administration

Bureau of Land Management

Private

State Trust Lands





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Coordinate System: NAD 83 UTM Zone 12N

Reference - Utah Geospatial Resource Center (UGRC) Hillshade and Terrain 10-Meter

Action Item 10B

Proposed Lithium Brine Exploration Agreement with Option to Lease OBA (ML 54767-OBA) with A1Lithium Inc.

Grand and Emery Counties, Utah

TRUST LANDS
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION
SUPPORTING SCHOOLS AND INSTITUTIONS

Utah School and Institutional Trust Lands Administration
Board of Trustees Memorandum

Date: September 17, 2026

From: Drew Bonner, Lease Manager
Energy & Minerals

Applicant: A1 Lithium Inc.
1635 Village Centre Circle,
Suite 150
Las Vegas, Nevada 89134

Lands: See Map
Grand & Emery County

Acreage: 3,940.82 acres (+/-) total – Approximately 3,445 acres are mineral estate only

Beneficiary: School 71.7%
Reservoir 3.6%
USU 4.1%
LEDA/Rec Exchange 20.6% (50% revenue to School, 50% to State of Utah)

<u>Summary</u>
The agency requests the Board approve this Lithium Brine Exploration Agreement with Option to Lease OBA (ML 54767-OBA) for lands in Grand & Emery County. Pursuant to Utah code § 53C-2-401(1)(d)(ii), the agency may enter an OBA with Board approval. This action requires Board approval because the proposed lands are not being offered on the standard lease form via the competitive lease process.

<u>Key Information and Background</u>
The proposed OBA is located in Emery & Grand County near the city of Green River. Lithium is contained in the deep brine aquifers within the Pennsylvanian Paradox Formation and the deeper Mississippian limestones. The proposed lease agreement includes 3,940.82 acres of surface and mineral lands and approximately 3,445 acres of mineral estate only. The lands were largely acquired at statehood and through the Utah Recreational Exchange Act of 2009.

The Resource: Brines, deep water containing high concentrations of various minerals, including lithium

The Applicant: A1 Lithium is a subsidiary of Anson Resources, a publicly traded company on the Australian Stock Exchange. A1 Lithium holds many leases and federal claims for lithium within the greater Paradox mineralized area in Emery and Grand Counties.

Material Terms of the Transaction

Term: A1 will receive an initial three-year exploration agreement with the option to lease for a primary term of ten (10) years, contingent on a negotiated exploration program, required annual progress reports submitted to the agency, and filing an Australian JORC resource report or equivalent feasibility study.

Payments to Trust Lands Administration.

- Bonus payment
  - $5.00 per acre ($19,705)
- Three-year Exploration Term annual rental
  - $4.00 per acre ($15,764)
- Ten-year Primary Term annual rental on selected optioned areas, or entire OBA
  - $4.00 per acre
- Production royalty rate for lithium-rich brine at a sliding-scale variable gross royalty rate from 1% to 5% based on the value of lithium carbonate equivalent (LCE) as described in the adjustable scale below:

Price per kilogram (kg) of Li_2CO_3 and LiOH	Gross Royalty Rate
up to and including $12.00 per kg	1%
between $12.01 and $15.00 per kg	2.5%
between $15.01 and $25.00 per kg	3%
between $25.01 and $35.00 per kg	3.5%
between $35.01 and $45.00 per kg	4%
between $45.01 and $55.00 per kg	4.5%
$55.01 per kg and above	5%

Work/Expenditure Requirements: A1 Lithium will complete a comprehensive three-year exploration program designed to evaluate the resource and identify new targets on the subject lands as described below:

- Year 1: Geochemical sampling of surface soil and brine to determine surface aquifer lithium grades. Application for obtaining exploration permits through the Utah Division of Oil, Gas and mining on the subject lands. Conduct Airborne Gravity Surveys and Ground Magnetotelluric (MT) passive geophysical survey across permitted areas to profile the shallow and deep aquifer potential.
- Year 2: Conduct a drilling program to evaluate the surface aquifer for lithium grades and understanding of surface aquifer hydrogeology, including: porosity, permeability, transmissivity, flow, and recharge rates.
  - Drilling would be planned to utilize existing roads/tracks as much as possible.
  - Secure necessary exploration permits and bonding through the Utah Division of Oil, Gas and Mining.
  - Cultural and environmental baseline surveys to be conducted prior to any drilling.

    - Drill plan to be submitted prior to any drilling.
- Year 3: Complete and file an Australian JORC resource report or equivalent feasibility study by the end of the three-year exploration term.

Data Reporting Requirements: The agency will require a development plan and any additional geologic data from exploration activities conducted on the overall property.

Rationale

The applicant is the logical lessee for the proposed OBA. A1 Lithium currently has an on-going project located in the town of Green River where lithium rich brines are being extracted and lithium processing is being tested. A1 Lithium holds both private leases and federal mining claims for lithium within and surrounding the subject OBA lands. Based on their previous exploration work through Federal and Trust Lands, A1 is looking to expand their lithium-rich brine exploration to the north by proposing an exploration program on the subject lands.

Committee Discussion

"Drew Bonner prepared a presentation of the terms of this exploration agreement with an option to lease as outlined in the draft Board Memo (together as Exhibit A). Mr. Baza asked if A1 Lithium Inc. ("A1") has production established anywhere else. Mr. Bedingfield informed the committee that no operators in the state are currently producing lithium – all current activity is exploration only. He added that A1 had completed a well re-entry on private land in the Green River area and they had a small testing facility, making them one of the more, if not the most, active current operators in the state. Mr. Baza then asked if their extraction and refinement processes were proven or experimental. Mr. Bedingfield stated that they have small-scale functionality, but large-scale processes need to be proven. There was a short discussion regarding the proposed timeline. Mr. Baza inquired about the royalty rate structure and if they were considered incentive rates. Mr. Bedingfield detailed some state history with the lithium industry, noting prohibitively high royalty rates. He went on to add that the proposed 1-5% royalty rate scale incentivizes exploration and production on trust lands due to the lower financial risk, without limiting benefit to the beneficiaries by increasing royalty rates as lithium prices increase. Mr. Nelson pointed out how difficult it would be to put together a claim block in this area, stating that solution mining has many advantages and there is very good potential for this project and would be a good opportunity for the trust. Mr. Bedingfield informed the committee that DOGM is currently in their rulemaking process for brine production, and TLA staff had recently submitted comments; adding that the state getting more prepared for these projects will be very helpful to TLA. Ms. Mumford asked about the possibility of requiring all exploration lands to remain in the lease during the 10-year primary term if the lease option was exercised, to which Mr. Bedingfield answered that there were multiple ways to maximize profits, and it would depend on the results of the exploration period."

Request Action

The agency requests that the Board approve the OBA and offers the following proposed motion: "I move to approve ML 54767-OBA on the terms set forth in the Board Memorandum and to have the agency take all further actions necessary to finalize the transaction."

Appendix A

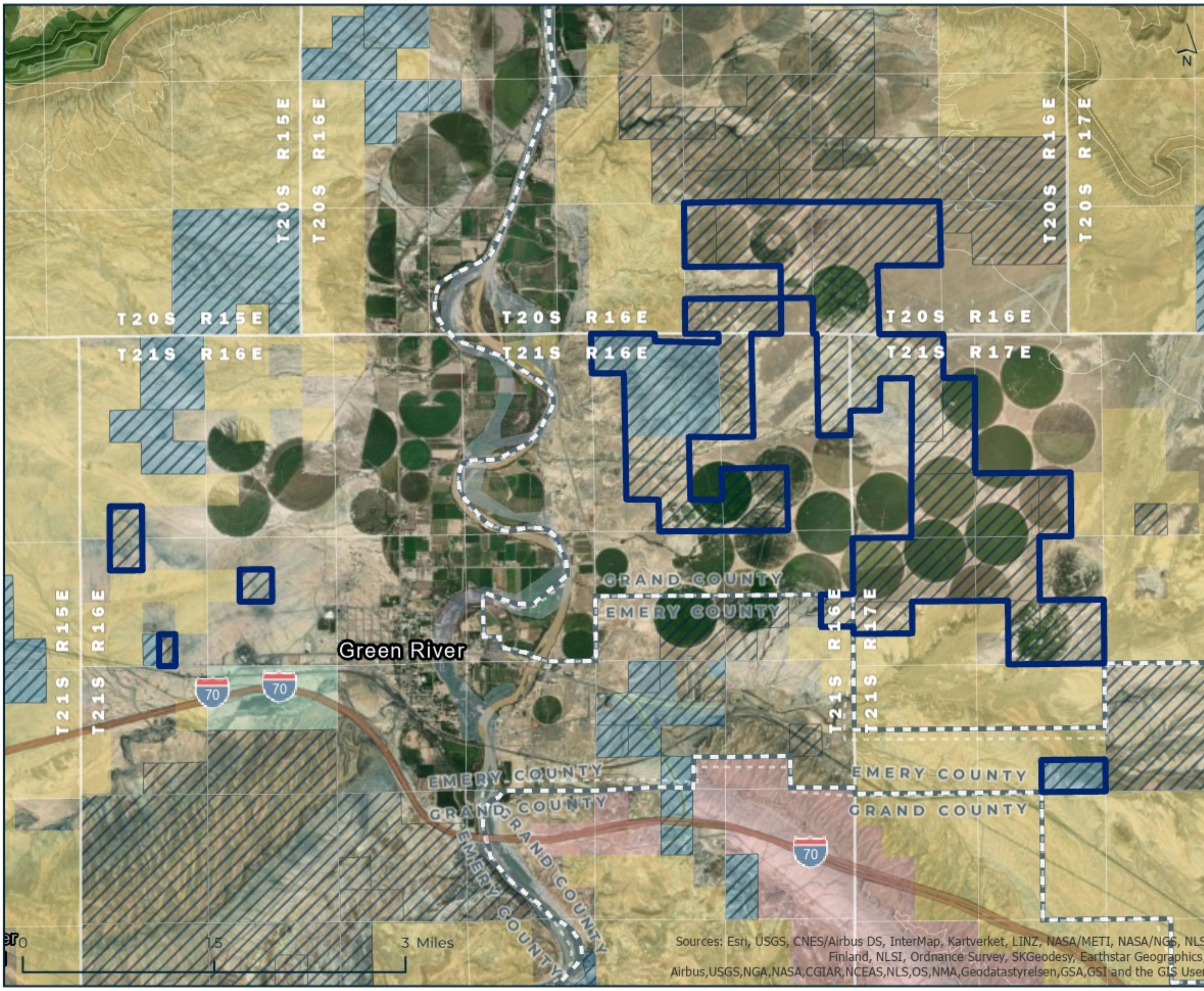
TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Mineral Lease No. 54767 - OBA - Lithium

Township 20-21 South, Range 16-17 East, SLB&M

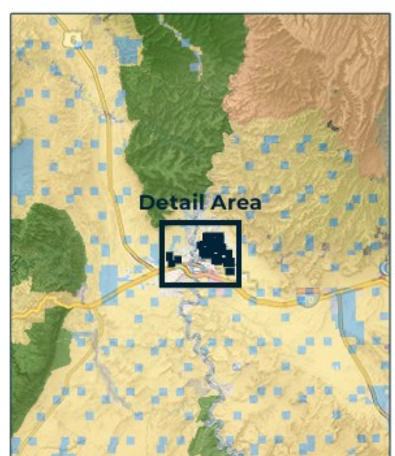
3,940.82 Acres Grand & Emery County



ML 54767 OBA

Land Ownership and Administration

- Bureau of Land Management
- National Wilderness Area
- Military Reservations and Corps of Engineers
- State Trust Lands
- State Sovereign Land
- State Parks and Recreation
- Other State



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Coordinate System: NAD 83 UTM Zone 12N

Reference - Utah Geospatial Resource Center (UGRC) Hillshade and Terrain 10-Meter

Action Item 10C

Major Development Transaction - St. George Regional Airport with BoxHouse, Inc.

Washington County, Utah

TRUST LANDS ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: September 17, 2026

From: Gregg McArthur, Economic Development & Project Manager
P&DG Utah South

Re: St George Airport 82-acre Northwest - Sale

Applicant: BoxHouse, Inc.

Location: T43s, R15w, Section 11, 14, & 15 Washington County

Acreage: 82 acres (+/-)

Beneficiary: Public Schools

Summary

Staff recommends that the Board approve a major development transaction on approximately 82 acres of trust lands located in Washington County, located on the northwest side of the St George Regional Airport (Please see Exhibit A). The Board approved negotiations for this transaction in their board meeting on August 20, 2026. The agency has negotiated the terms of the deal and now seeks the Board's final approval of the transaction, pursuant to Rule R850-140-600. If the Board approves the transaction, the agency will finalize the development agreement.

Key Information and Background

Background: The St George Airport northwest 82-acre parcel consists of raw, undeveloped land situated adjacent to the northwest corner of the St. George Regional Airport. Access to the parcel is limited to Banded Hills Drive to the south which is a residential roadway that connects to the Little Valley residential area. Banded Hills also serves as access to the airport's West General (private) Aviation gate. Water is found in Banded Hills Drive. Power and sewer are found on the perimeter of the St George Airport lands to the southeast. The site's primary constraint remains its reliance on a single residential access point until planned expansion routes to the West Airport TLA lands materialize in five to ten years.

The property is zoned APBP (Airport Business Park), which permits commercial operations as well as indoor industrial uses. A new St George Airport control tower is being constructed just south of this parcel. With this new tower in place, any future structures that are planned for development on this parcel will need to receive approval for height and location from the FAA.

In January 2026 the trust received an offer from BoxHouse Inc. to purchase this 82-acre parcel for their corporate business campus. Their offer proposed a cash one-time-close purchase of the entire parcel for its appraised value. Upon receiving the offer, staff solicited an appraisal to determine the current value. The appraisal came back at $6 SF or $21,431,520.

In March 2026, the Trust issued a Request for Proposals (RFP) for the 82-acre parcel. The RFP was open for three months and closed in June 2026. The Trust received three formal proposals. Out of the proposals received, the offer from BoxHouse Inc. was the most financially favorable for the Trust.

Key Terms of Transaction:

BoxHouse, Inc. (BoxHouse) is a St George-headquartered modular home manufacturer with regional operations in Texas and New York. The company specializes in factory-built residential units that are assembled on-site. BoxHouse proposes to acquire the entire parcel via a lump-sum cash purchase at the appraised value of $21,431,520. Box House has provided audited financial statements confirming their financial capability and liquidity to complete the $21,431,520 cash transaction.

- Terms & Closing: The buyer requests a 45-day due diligence period accompanied by a $500,000 deposit that becomes non-refundable upon expiration of the due diligence period. BoxHouse requests a 120-day closing period, aiming to close in late December 2026 or early January 2027.
- Intended Use: BoxHouse plans to construct its corporate headquarters and an innovation center on the site, with plans to expand into manufacturing once secondary access routes are established.

Economic Analysis

Staff evaluated whether the Trust should execute an immediate land sale under current access conditions or retain the asset until secondary access routes are constructed. Selling the parcel now to BoxHouse captures full appraised market value today, avoiding the timing risks and holding costs of unbuilt infrastructure. Reinvesting the proceeds with the School and Institutional Trust Funds Office (SITFO) is projected to generate an average annual return of 7.5%.

By comparison, finished lot values in the St. George Fort Pierce Industrial Park—a top tier Southern Utah industrial park—have appreciated roughly 154% over the past 18 years, establishing a historical hurdle rate of 5.32% annually. Because SITFO's projected 7.5% yield exceeds this historical land appreciation benchmark, selling now and investing the proceeds delivers a higher net return than holding the land for future appreciation.

Sale vs Hold Analytics

Land Sale w/ SITFO Investment		
Acres	82	
SITFO Rate of Return	7.50%	
Purchase Offer Price	$ 21,431,520	
Year	Return Value	Per Acre Value
2026	$ 21,431,520	$ 261,360
2027	$ 23,038,884	$ 280,962
2028	$ 24,766,800	$ 302,034
2029	$ 26,624,310	$ 324,687
2030	$ 28,621,134	$ 349,038
2031	$ 30,767,719	$ 375,216
2032	$ 33,075,298	$ 403,357
2033	$ 35,555,945	$ 433,609
2034	$ 38,222,641	$ 466,130
2035	$ 41,089,339	$ 501,089
2036	$ 44,171,039	$ 538,671

Land Hold w/ Estimated Value Escalation		
Acres	82	
Historic YoY Land Value Escalation	5.32%	
2026 Appraised Value	$ 21,431,520	
Year	Return Value	Per Acre Value
2026	$ 21,431,520	$ 261,360
2027	$ 22,571,677	$ 275,264
2028	$ 23,772,490	$ 289,908
2029	$ 25,037,187	$ 305,332
2030	$ 26,369,165	$ 321,575
2031	$ 27,772,004	$ 338,683
2032	$ 29,249,475	$ 356,701
2033	$ 30,805,547	$ 375,677
2034	$ 32,444,402	$ 395,663
2035	$ 34,170,444	$ 416,713
2036	$ 35,988,312	$ 438,882

Projected Financial Return to the Trust

The Trust will receive $21,431,520 for the sale of the parcel. By selling the land now at appraised value the Trust will meet its fiduciary responsibility to the beneficiary.

Competitive Process

Staff advertised the parcel on the TLA website and ran ads in the local Spectrum newspaper and Deseret News. Advertising ran for a 3-month period from March thru June 2026.

Real Estate Committee

Real Estate Committee members reviewed the cost vs hold analysis and requested that this proposed transaction be reviewed by the Board of Trustees for a second time.

Request Action

The agency requests that the Board approve the final terms of the sale of the 82-acre St George Airport Northwest parcel to BoxHouse, Inc and offers the following proposed motion:

> *"Move to approve the final terms of the sale of the 82-acre St George Airport Northwest parcel to BoxHouse Inc and for the agency to execute and take all further actions necessary to finalize the transaction."*

TRUST LANDS ADMINISTRATION

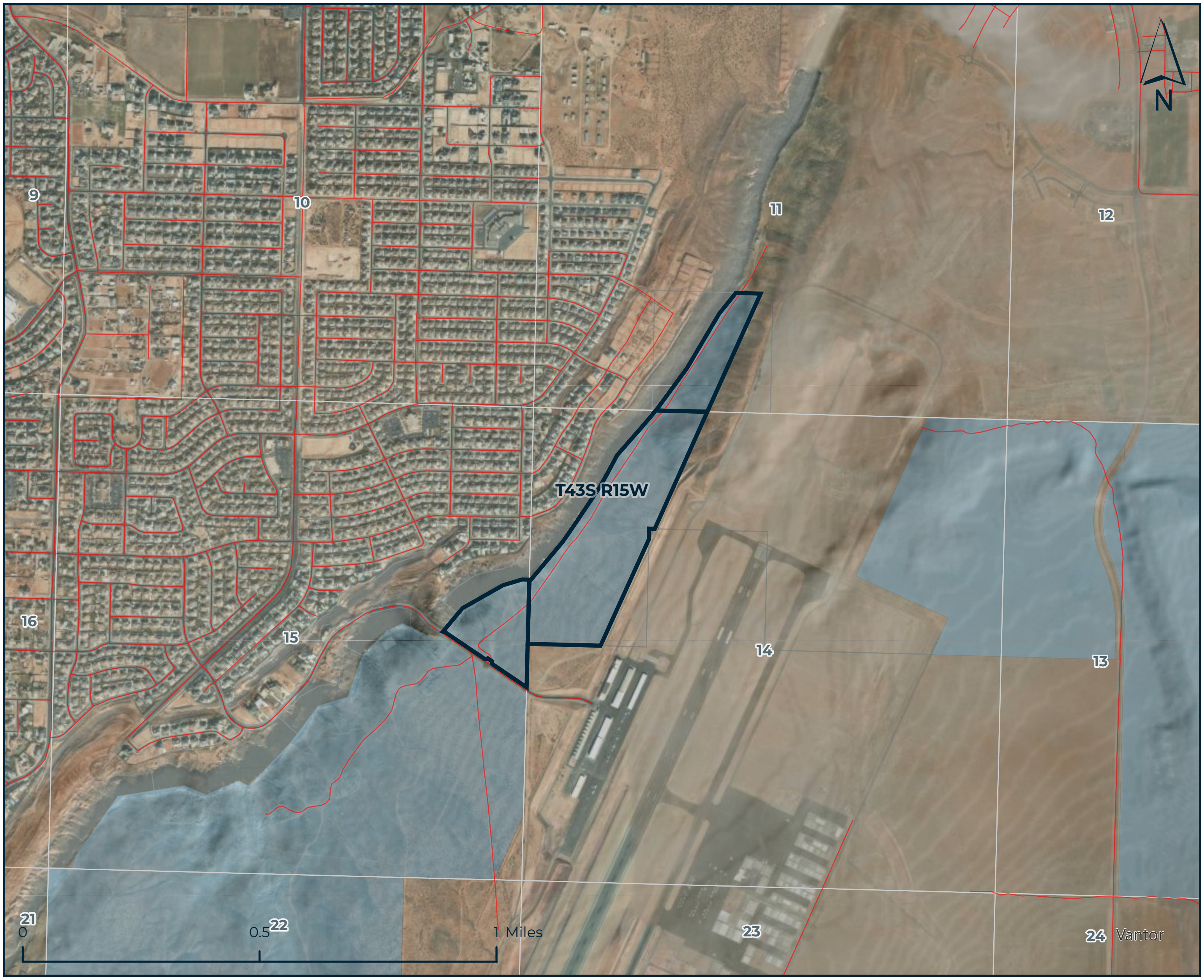
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

SGU West Airport Parcel

Township 43 South, Range 15 West, SLB&M

Within Sections 11, 14 & 15 ~ 82.00 Acres

Washington County

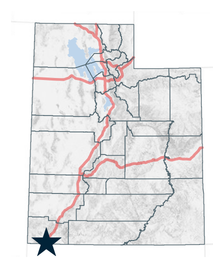


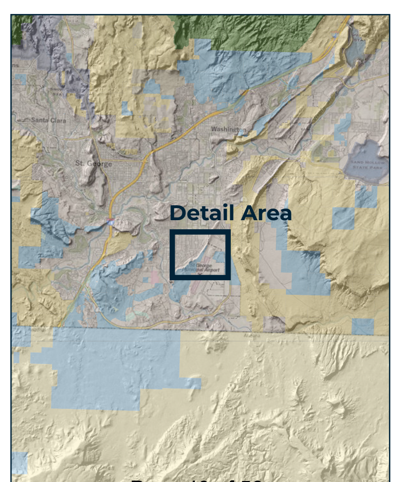
SGU West Airport Parcel

Land Ownership and Administration

Private

State Trust Lands





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Coordinate System: NAD 83 UTM Zone 12N

Reference - Utah Geospatial Resource Center (UGRC) Hillshade and Terrain 10-Meter

Action Item 10D

Proposed Board Policy on Agency Risk Management Plan

Stephanie Barber-Renteria, Deputy Director

TRUST LANDS ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

The Board of Trustees
of the
State of Utah
School and Institutional Trust Lands Administration
Board Policy

Risk Management Policy

Board Policy No:	2026-03
Effective Date:	September 17, 2026
Pages:	2

By the Board:

Chairperson

The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on September 17, 2026, and by majority vote adopted the following policy to be an official policy of the Board.

1. The School and Institutional Trust Lands Management Act (the Act), Utah Code Ann. § 53C-1-204, directs the Board of Trustees (Board) of the School and Institutional Trust Lands Administration (agency) to establish policies for the management of the agency and trust lands. These policies must follow existing law, reflect undivided loyalty to the trust beneficiaries consistent with fiduciary duties, require the return of not less than fair market value for the use, sale or exchange of trust assets, and must seek to optimize revenue and land holdings consistent with the balancing of short and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains.

2. The Board recognizes that actions taken by the agency and/or activities occurring on trust lands involve a level of risk. For purposes of this policy, "risk" means the chance that internal or external events, decisions, or conditions could negatively affect trust assets or employee safety. This includes, but is not limited to risks from land use, trespass, contractual agreements, laws and regulations, market conditions, staffing, employee injuries, and environmental impacts that limit the agency's ability to manage, protect and grow trust assets.

3. The Board hereby directs the agency to prepare and implement a written enterprise risk management plan (the Plan) that aligns agency decisions with the constitutional, statutory, and fiduciary duties owed to the beneficiaries. For purposes of this policy, "enterprise risk management" means a consistent and coordinated, agency-wide approach to identifying, assessing, prioritizing, monitoring and responding to risks across all functions, assets, and activities of the agency.

4. The Plan will define how risks associated with trust assets will be identified, analyzed, and managed. The Plan will describe how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the risk, and it will identify agency personnel responsible for such actions. The Plan will provide tools and techniques to manage, monitor, and mitigate potential risks and provide a framework to document risk management activities. The Plan will identify regular time intervals for risk assessment, risk retirement, and new risk identification.

5. The Plan will also identify safety risks to agency personnel. The Plan will specify necessary safety protocols and equipment designed to mitigate such threats, while establishing a formal reporting system to analyze occurrences of risk and formulate subsequent mitigation strategies.

6. The agency will conduct an annual review of the Plan to assess the Plan's effectiveness and the need for revision. The agency shall report annually to the Board on the review and any recommended changes to the Plan.

7. The Board will review this policy every three to five years, or as the Board deems appropriate.

Action Item 10E

Proposed Board Strategic Plan Policy

Michelle McConkie, Executive Director

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

The Board of Trustees
of the
State of Utah
School and Institutional Trust Lands Administration
Board Policy

Strategic Plan Policy

Board Policy No:	2026-03
Effective Date:	
Pages:	

By the Board:

____
Chairperson

The Board of Trustees (the "Board") of the School and Institutional Trust Lands Administration (the "Administration"), by majority vote in open, public meeting on ____________________, declares the following to be an official policy of the Board regarding the Board's involvement in the Administration's Strategic Plan.

1. The purpose of this policy is to establish a collaborative and efficient framework for updating the Administration's Strategic Plan. This policy clarifies the responsibilities of the Board and the Administration, enabling the Board to provide strategic direction while recognizing the Administration's operational autonomy and discretion in drafting and executing the plan.

2. The Board's primary role in the strategic planning process is to establish a broad vision and articulate policy priorities. The Director and Administration staff establish the methodology, tactical development, drafting, and execution of the Strategic Plan.

3. The Board shall act in an advisory capacity regarding the Strategic Plan. Responsibilities include:

   a. Providing input on high-level goals, Administration priorities, and key performance indicators (KPIs).

   b. Reviewing the draft plan to ensure alignment with previously established Board policies.

   c. Receiving periodical updates from the Administration on KPIs and overall progress.

4. The Director and designated Administration staff have responsibility for the creation and implementation of the Strategic Plan. Responsibilities include:

   a. Determining the timeline, methodology, and internal processes used to build the plan.

   b. Translating the Board's policy input into actionable strategic objectives, tactical initiatives, and measurable outcomes.

   c. Determining how Administration budget, staff, and resources will be deployed to meet the plan's goals.

   d. Managing the day-to-day implementation of the plan and providing the Board with high-level progress reports bi-annually.

5. To account for both the Board's opportunity to provide input and the Administration's drafting responsibilities, the strategic planning process will follow these milestones:

   a. Prior to beginning a new planning cycle, the Director (or designee) will send a survey to all Board members. The purpose of this survey is to:
      i. gather input to rank high-level goals for the upcoming planning cycle;
      ii. solicit feedback on the desired priorities for the Administration; and
      iii. provide data that will guide the Administration in drafting the goals and objectives within the Strategic Plan.

   b. The Administration will review the Board's feedback, seek clarification as necessary, and advise on current operational realities or legal constraints.

   c. The Administration will utilize input from the Board and various levels of the Administration to draft and refine the Strategic Plan.

   d. The Administration will provide the Board with a draft Strategic Plan. The Board will review the draft plan to ensure the Administration has appropriately considered the Board's input. The Board may offer feedback or suggest adjustments prior to finalization of the Strategic Plan.

   e. The Administration will provide bi-annual Strategic Plan progress reports to the Board. These reports will focus on high-level outcomes and metrics rather than granular operational tasks.

6. While the Strategic Plan is intended to guide the Administration over a multi-year horizon, shifting market conditions, changes in priorities, legislative mandates, or other unforeseen conditions may necessitate adjustments.

a. Shifts in tactical implementation, internal resource reallocation, timelines, or routine updates to KPIs will be at the discretion of the Director. Any significant changes should be noted in the bi-annual progress reports.

b. Proposed changes that introduce a fundamentally new policy direction or substantially shift Administration-wide strategic goals would utilize the same process for gathering input as would be sought at the beginning of a new planning cycle.

Notification Item 11A

Minor Development Transaction - St. George Airport (with Dixie Power)

Washington County, Utah

TRUST LANDS
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: September 17, 2026

From: Gregg McArthur, Economic Development & Project Manager
P&DG Utah South

Re: St George Airport East Substation Parcel – Sale and Lease

Applicant: Dixie Power

Location: T43s, R15w, Section 13, Washington County

Acreage: 1.13 acres (+/-)

Beneficiary: University State University

<u>Summary</u>

The purpose of this memorandum is to give the Board notice of a minor development transaction on approximately 1.13 acres of trust lands located in Washington County, on the northeast corner of the St. George Airport East development block (please see Exhibit A). Before entering into a minor development transaction, the agency must give the Board notice of the transaction, including information about the proposed transaction, the process followed by the agency in selecting the developer, and an economic analysis of the project, pursuant to Rule R850-140-500.

<u>Key Information and Background</u>

Background: In January 2015, the Trust acquired a 478.88-acre block of land located in T43S R15W section 13 & 24 from the United States under the 'Utah Agricultural College (Utah State University) Clear List Grant #27'. No trade or payments were involved in acquiring these lands. Formerly managed by the Bureau of Land Management (BLM), the land was conveyed to the Trust subject to all existing commitments and encumbrances. Among these was a 0.95-acre perpetual easement granted to Dixie Power for an electrical substation site.

In March 2026, Dixie Power approached the Trust to purchase or lease the original 0.95-acre parcel along with an additional 0.18-acre parcel directly adjacent to the 0.95-acre parcel, totaling 1.13 acres. The additional acreage is required to accommodate a larger substation facility than they originally planned when they secured their easement with the BLM.

Material Terms of the Transaction

Because Dixie Power secured its rights through the BLM prior to conveyance, the Trust is obligated to honor the existing perpetual agreement for the 0.95-acre parcel without requiring additional compensation. To fulfill this requirement, the Trust may either grant a zero-compensation perpetual lease (or easement) or convey fee-simple title to Dixie Power for a nominal fee.

For the adjacent 0.18-acre expansion, Dixie Power has offered to purchase the land at its full appraised value. Staff supports approving this sale, as the completed substation will enhance electrical infrastructure and directly benefit the Trust's remaining holdings in the surrounding area.

Economic Analysis

An appraisal completed in July 2026 valued the 0.95-acre portion at $0 due to the pre-existing easement encumbrance. The unencumbered 0.18-acre expansion parcel was appraised at $6.00 per square foot, for a total value of $47,044.80.

Executing a zero-compensation perpetual lease or conveying fee-simple title for the 0.95-acre site fulfills the Trust’s obligation to honor the pre-existing BLM encumbrance. Concurrently, selling the additional 0.18-acre parcel at its appraised fair market value satisfies the Trust's fiduciary duty to maximize revenue and enhance the value of surrounding lands.

Competitive Process

Staff advertised the property on the Trust Land Administration (TLA) website. One party inquired about the property but submitted no offer after learning of the pre-existing encumbrance. No additional offers were received.

Real Estate Committee

The Committee reviewed the location of the perpetual easement, focusing on potential impacts to future development, site access, and adjacent TLA lands. Staff confirmed the current location is optimal, does not restrict future development, and benefits from direct access via a dedicated county road without impacting neighboring parcels. The Real Estate Committee unanimously recommended moving this forward as a Notice item to the full Board of Trustees.

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Substation Leased Lands

Township 43 South, Range 15 West, SLB&M,
Within Section 13,

Washington County

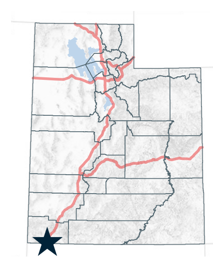
Parcel #1: Dixie Power Substation Leased Land - 0.95 Acres

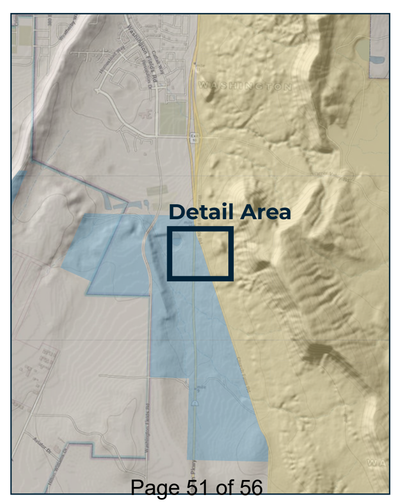
Parcel #2: Additional Requested Substation Land - 0.18 Acres

Land Ownership and Administration

Bureau of Land Management

State Trust Lands





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Coordinate System: NAD 83 UTM Zone 12N

Reference - Utah Geospatial Resource Center (UGRC) Hillshade and Terrain 10-Meter

Notification Item 11B

Minor Development Transaction (DEVL 1263) with MW-Kanab LLC

Kanab County, Utah

TRUST LANDS
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: September 17, 2026

From: Aaron Langston, Managing Director,
Residential and Commercial Real Estate

Re: Development Lease 1263 – Notice of Buyout

Applicant: MW-Kanab LLC

Location: T44S, R6W, Section 10, Kanab, Kane County

Acreage: 101 acres (+/-) (less 15.5-acres already taken down)

Beneficiary: Miners Hospital

<u>Summary</u>

MW-Kanab LLC (“Ventana”) desires to amend and restate Development Lease No. 1263 (“DEVL 1263”), enabling Ventana to purchase the remaining 85.83-acres of TLA property within the project at appraised value so that they can later move forward with a Special Assessment Bond to help fund the rest of the horizontal infrastructure. TLA entered DEVL 1263 on November 22, 2022. The agency has negotiated the terms of this amendment for a fee-simple transaction and now seeks to give the Board notice pursuant to Rule R850-140-700.

<u>Key Information and Background</u>

DEVL 1263 anticipated bringing vacation villas, single family homes, and a hotel as part of a resort community in Kanab known as Ventana Resort. The agreement contemplated that TLA would receive a percentage of the gross sales prices of single-family homes and vacation villas, and that Ventana and TLA would enter a JV for the hotel, wherein TLA would contribute the land and earn a 14.6% equity position. Due to complications with the proposed hotel operating agreement, the parties negotiated a modification to the financial terms to allow Ventana to purchase the hotel parcel from TLA. To account for lost revenue from no longer participating in the hotel, Ventana proposed increasing TLAs revenue share on the vacation village units. This amendment was discussed at the May 26, 2026 Real Estate

Committee and went before the Board of Trustees as a Notice item at the June 18, 2026 Board of Trustees meeting. The parties have not executed an agreement on these terms.

The property is subject to a $12 million Limited Tax Bond (LTB) secured by a 6-mill property tax levy within the Public Infrastructure District (PID). Ventana desires to add an additional $29.4 million Special Assessment Bond to help fund much of the remaining horizontal infrastructure, which they estimate will cost a total of $44 million. The Special Assessment Bond would place TLAs landholdings at risk should the bond payments (estimated to be approximately $2M to $2.5M annually) not be made. Staff are concerned that the project has too much risk and therefore desire to sell the land to Ventana.

Ventana has agreed to purchase the remaining 85.83 acres at appraised value. An appraisal dated September 2, 2026 valued the property at $36,622 per acre, or $2.8 million.

<u>Financial Analysis/Terms of the Transaction</u>
Authorizing the $29.4 million Special Assessment Bond and staying in the deal could potentially generate an NPV of $6.7 million (one iteration had it at $8.2 million), but given the amount of debt, market uncertainty, and other risks, Staff feels that selling the land at $2.8million (nearly 3 x the original appraised value) and getting out of the deal is in the best interest of the Trust.

Ventana has agreed to pay the $2.8 million appraised value for the remaining 85.83-acres. Earnest money of $25K will be paid when Notice has been conveyed to the Board of Trustees (Sept 2026) and the balance of $2,775,000 will be paid within 60 days of the same Notice.

<u>Real Estate Committee Discussion</u>
There were concerns about the need for $44 million to complete the horizontal infrastructure. There were concerns that if the proposed $29.4 million Special Assessment Bond was authorized, TLAs land holdings could be in jeopardy.

Authorizing the proposed Special Assessment Bond while TLA still owned the underlying property seemed risky in this instance, therefore preference for selling the land at appraised value before any additional bonds could be placed on the property was discussed.

As a follow up, Staff requested an appraisal on the property which was received on September 2, 2026 valuing the remaining 85.83 acres at $2,800,000. Staff also explained to Ventana that TLA would not authorize the requested Special Assessment Bond and that Ventana would need to pay the appraised value and take ownership of the property prior to placing any assessments on it, which they agreed to, as outlined in this memo.

Kanab 101 - Development Lease No. 1263

Township 44 South, Range 6 West, SLB&M,
Within Section 10 - 101.33 Acres

Kane County

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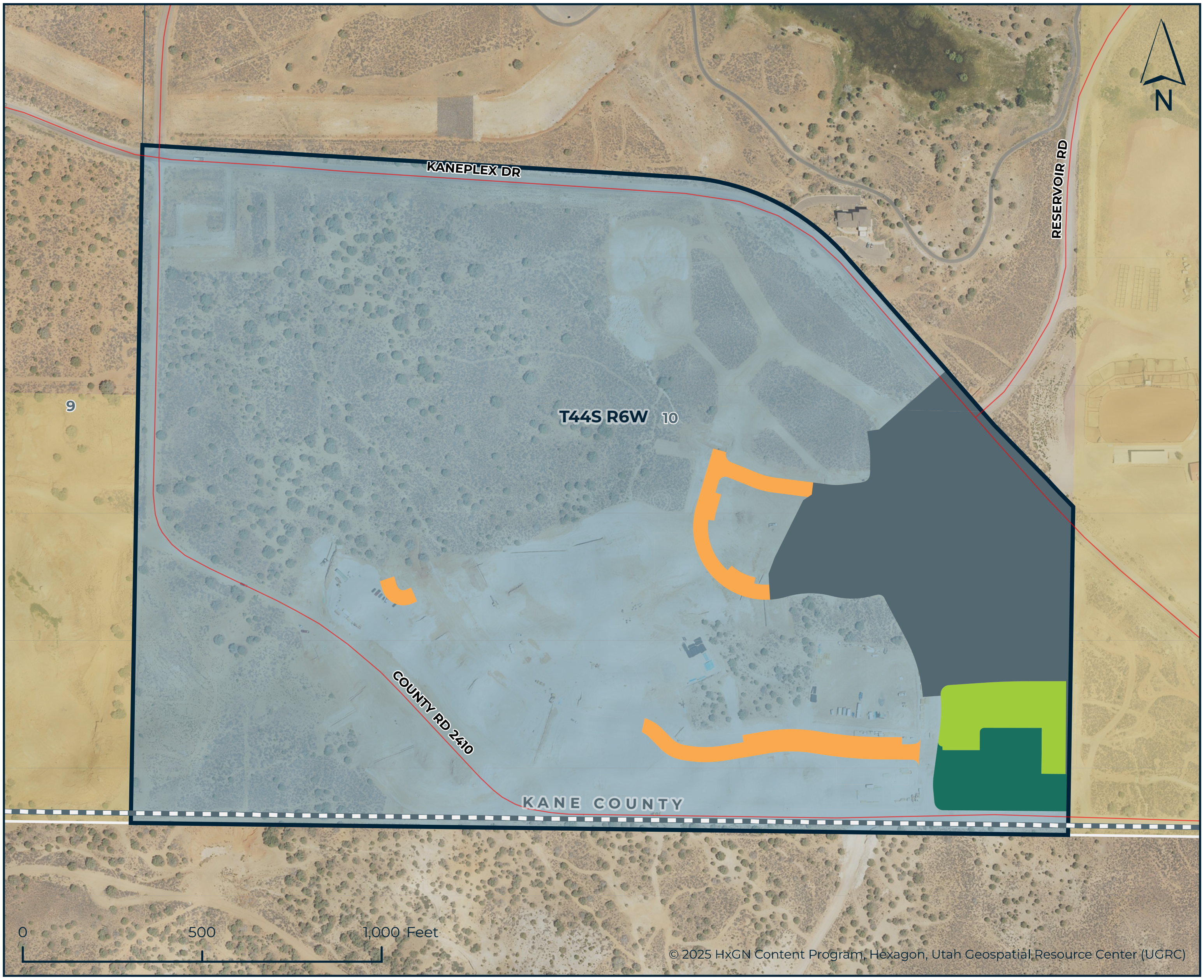

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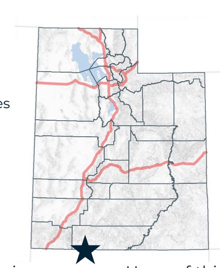
Kanab 101 - 101.33 Acres

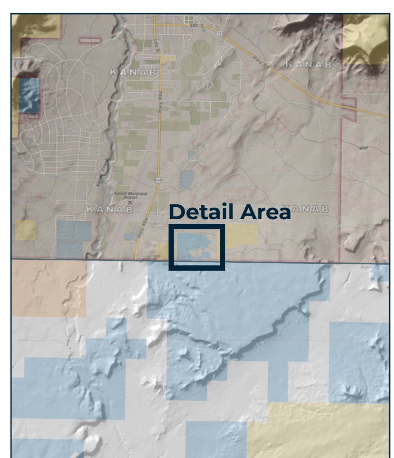
Lands Sold within Kanab 101 - 15.50 Acres

- Ventana Phase 1 Development - 10.61 Acres
- Ventana Phase 1 Affordable Housing - 1.40 Acres
- Affordable Housing - 1.60 Acres
- Ventana Resort Village Phase 2 Private Roads - 1.89 Acres

Land Ownership and Administration

- Bureau of Land Management
- Private
- State Trust Lands (Remainder in Kanab 101) - 85.83 Acres





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Coordinate System: NAD 83 UTM Zone 12N

Reference - Utah Geospatial Resource Center (UGRC) Hillshade and Terrain 10-Meter

TRUST LANDS
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End of Board Meeting Materials