

# **REDEVELOPMENT AGENCY OF BOUNTIFUL CITY**

**Tuesday, November 10, 2015**

**7:45 p.m. (Time approximate after the City Council meeting)**

**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Bountiful City Redevelopment Agency will hold a meeting at Bountiful City Hall, 790 South 100 East, Bountiful, Utah, at the time and date given above. The public is invited to attend. Persons who require special accommodations should contact Shawna Andrus, Executive Assistant, at 801.298.6140, at least 24 hours prior to the meeting.

If you are not on the agenda, the Board of Directors will not discuss your item of business until a subsequent meeting. If you wish to have an item placed on the agenda, contact the Redevelopment Agency Director at 801.298.6190, at least 7 days before the scheduled meeting.

## **AGENDA**

1. Welcome
2. Consider approval of minutes for June 9, 2015.
3. Consider a revolving loan application for \$120,000 from Vector Holdings/Computech, 2155 South Orchard Drive, Brett Anderson, applicant.
4. RDA Director's report and miscellaneous business.

  
Chad Wilkinson, RDA Director

Pending minutes have not yet been approved by the Redevelopment Agency Committee and are subject to change until final approval has been made.

## BOUNTIFUL REDEVELOPMENT AGENCY

### Meeting Minutes of: Tuesday, June 9, 2015

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairman – Randy Lewis; Board Members – Richard Higginson, Kendalyn Harris, John Pitt; Redevelopment Director – Chad Wilkinson; City Manager – Gary Hill

Excused: Board Members – John Marc Knight, Beth Holbrook

#### Welcome

1. Chairman Randy Lewis opened the meeting at 8:36 p.m. and welcomed those in attendance.

#### Agenda Items

2. **Consider approval of minutes for May 12, 2015.**

Mr. Higginson made a motion to approve the minutes for May 12, 2015. Ms. Harris seconded the motion.

A Mr. Lewis  
A Mr. Higginson  
A Ms. Harris  
A Mr. Pitt

Motion passed 4-0.

3. **PUBLIC HEARING: Consider approval of Resolution 2015-01; FY 2015 amended RDA Budget and proposed FY 2016 RDA Budget.**

Redevelopment Director, Chad Wilkinson, presented a summary of the budget report (the full staff report follows).

Each year the Redevelopment Agency (RDA) Board of Bountiful City must adopt a budget for the upcoming fiscal year. The Board may also adopt an amended budget if necessary. Staff has prepared an amended budget for Fiscal Year 2015 and a final budget for FY 2016 for the Redevelopment Agency of Bountiful City.

The RDA budget includes two funds:

- Fund 72 – Loan Program
- Fund 73 – Administration and Operations

Fund 72 - The Loan Fund administers the city's revolving loan program. Revenues for the fund include principle and interest payments from loans and transfers from fund balance. Expenditures are almost exclusively in the form of new loans. The budget for 2015 includes approximately \$1,000,000 for new loans. This amount may be amended if necessary.

Fund 73 – The Administration and Operations Fund is used to administer the RDA programs and projects. Revenues are primarily from tax increment. This year's budget anticipates collecting roughly \$1.39 million dollars in new tax increment. The remainder of the revenue is from interest earnings and fund balance.

Expenditures in this fund include personnel, operating costs (materials, supplies, and services), debt repayment for the Renaissance Town Center parking structure, and special projects. Special projects budgeted for next year include funding for downtown improvements such as signage and wayfinding and restrooms if deemed appropriate at this time and approximately \$500,000 dollars for property acquisition and infrastructure improvements. A proposed amendment to the 2015 budget provides for utility payments for the Bountiful Davis Arts Center and Smedley Home while these buildings are prepared for occupancy by the BDAC and History Museum.

The budget has been reviewed by the RDA Director and the City Manager.

The RDA Board should adopt Resolution 2015-01 Amending the 2015 Budget and Approving the 2016 Budget.

Councilman Higginson added that additional public restrooms downtown are being looked into, and a short discussion ensued regarding the future location of those restrooms.

**PUBLIC HEARING:** Chairman Lewis opened the Public Hearing at 8:40 p.m., and the hearing was closed at 8:40 p.m. with no comment from the public.

Mr. Pitt made a motion to approve Resolution 2015-01 and the amended budget of FY 2016. Mr. Higginson seconded the motion.

A Mr. Lewis  
A Mr. Higginson  
A Ms. Harris  
A Mr. Pitt

Motion passed 4-0.

**4. Consider approval of expenditure of an amount not to exceed \$20,000 for reimbursement of expenses related to storm drain improvements on 300 South, Kenneth Knighton, applicant.**

Redevelopment Director, Chad Wilkinson, presented a summary of the staff report (the full staff report follows).

Kenneth Knighton has requested RDA participation in the installation of storm drain improvements in 300 South in conjunction with a recently approved mixed use development at 95 West 300 South. The proposed extension would be constructed in 300 South for a distance of approximately 300 feet and connect to existing facilities in 100 West.

The applicant will be required to install the storm drain improvements in order to provide adequate storm drain capacity for the mixed use development. The City Engineer has estimated the cost of the public portion of the storm drain required to be installed to be approximately \$40,000 dollars. Because the improvement is adjacent to properties within the RDA, some benefit to the RDA can be anticipated. Because this is a relatively short extension of the public storm drain, the benefits to other properties in and out of the RDA boundary are limited. In order to justify the expenditure of RDA funds for the project, it is recommended that the reimbursement include a requirement to provide a storm drain easement through the applicant's property at 95 West 300 South that would allow for future connection by properties to the south. In addition, it is recommended that RDA participation in the storm drain improvements be limited to reimbursement of 50 percent of the actual cost of construction of the storm drain to a maximum of \$20,000 dollars. There will be a separate agreement between Mr. Knighton and the RDA (to be signed by the RDA Director) memorializing these stipulations.

The required infrastructure could be installed by the City, however in order to coordinate the public improvement with private storm drain to be installed with the project allowing for private installation with reimbursement for costs is appropriate in this situation.

The item has been reviewed by the RDA Director, City Engineer and the City Manager.

The proposed storm drain improvement will provide additional storm water infrastructure to properties within the RDA boundary and will provide opportunities for connection to additional properties in the future through the required easement.

It is recommended that the RDA Board authorize RDA staff to enter into an agreement with the applicant for the reimbursement of actual costs associated with installation of public storm drain in 300 South up to a maximum of \$20,000 dollars. It is recommended that the reimbursement be contingent on provision of an easement through the applicant's property to serve properties to the south.

Mr. Higginson inquired if the drains could be pushed further north, possibly to Main Street. Mr. Rowland replied that it would not be possible.

Mr. Aric Jensen was in attendance and inquired regarding the easement and requested it be made clear that the property owner has the prerogative to decide where the easement crosses the property. Mr. Rowland clarified that the easement would not run under the building.

Mr. Higginson made a motion for approval of expenditure of an amount not to exceed \$20,000 for reimbursement of expenses related to storm drain improvements on 300 South, Kenneth Knighton, applicant. Ms. Harris seconded the motion.

A Mr. Lewis  
A Mr. Higginson  
A Ms. Harris  
A Mr. Pitt

Motion passed 4-0.

**5. Consider approval of a lease agreement with Bountiful Davis Art Center (90 North Main St.)**

Redevelopment Director, Chad Wilkinson, presented a summary of the staff report prepared by Russell Mahan (the full staff report follows).

In 2014 the Bountiful RDA acquired what had been known as the Redcon Building at 90 North Main Street, which has been converted and modified into the new home of the Bountiful Davis Arts Center. The City has for many years provided BDAC a home in a City building for \$1.00 per year, and this Lease continues that tradition. The benefit of the bargain goes to the citizens of Bountiful, who have an active and professional arts organization in the community.

The Bountiful Davis Arts Center is an independent 501(c)(3) non-profit organization that is not a part of City government. The proposed Lease gives possession of the building at 90 North Main to BDAC, along with the right to use assigned parking. Ownership is maintained by the Bountiful RDA. BDAC conducts its own programs, has its own staff, pays its own utilities and maintains its own insurance.

This Staff Report was prepared by the City Attorney and reviewed by the City Manager.

It is recommended that the City Council approve this Lease Agreement with the Bountiful Davis Arts Center.

The Bountiful Davis Arts Center has been an excellent partner of the City in helping meet the cultural needs of the citizens of Bountiful. Its premiere event of Summerfest is a long standing tradition, and there are many ongoing programs and events for the public.

Redevelopment Director, Chad Wilkinson asked the committee to consider approval of the Art Center for \$1/year for 5 years, with automatic renewal until further notice. Mr.

Higginson inquired why an initial term of 5 years. Mr. Hill responded that it is the preference of the City Attorney.

Mr. Higginson made a motion to approve the lease agreement with Bountiful Davis Art Center (90 North Main). Mr. Pitt seconded the motion.

A Mr. Lewis  
A Mr. Higginson  
A Ms. Harris  
A Mr. Pitt

Motion passed 4-0.

**6. RDA Director's report and misc. business.**

Redevelopment Director, Chad Wilkinson informed the committee that Deseret Landco is in default on their RDA loan. The bank is taking actions to pursue the terms of the loan.

**Adjourn**

Chairman Lewis ascertained there were no other items to discuss. The meeting was adjourned at 8:50 p.m.

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Chad Wilkinson, Redevelopment Director

# Redevelopment Agency Staff Report



**Subject:** Application for Loan for Computech  
**Property:** 2155 S Orchard Drive # 201 and # 202  
**Author:** Agency Director  
**Date:** November 10, 2015

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## Analysis

Mr. Brett Anderson, representing Vector Holdings/Computech requests a loan of \$120,000 in order to complete improvements to units 201 and 202 of the existing mixed use building located at 2155 S. Orchard Drive. There is an existing RDA loan on the property with a current balance of approximately \$154,000 which would be paid off with the purchase of the property by Computech. A condominium plat was recently approved for the property by the City Council. Computech plans to purchase two of the units in the condominium plat for use for their business operations. The business is currently located in Woods Cross and is seeking additional space in order to expand the capabilities of the company.

The applicant proposes to secure the loan with a trust deed on the property which has an appraised value of \$520,000. The applicant has proposed that the RDA loan be in second position to a commercial loan of \$376,000. In the past, the RDA has attempted to maintain a loan to value ratio of 75 percent for revolving loans but has approved exceptions to this policy on a case by case basis. The total of the two requested loans is \$496,000 resulting in a loan to value ratio of 95 percent. This ratio could be lowered to 80 percent by decreasing the RDA loan amount to \$40,000. The applicant could also bring additional equity into the request thereby lowering the requested loan amount, or provide additional collateral.

The Revolving Loan program was primarily created to provide loans for redevelopment in Historic Downtown of Bountiful. Although not located in the Historic Downtown, the proposed use would provide a much needed commercial use to the mixed use center on Orchard Drive. The previous RDA loan for the property was limited to 76 percent of the value of the property with the combined RDA and commercial loans and was provided to a developer who had a proven track record with the City. A loan of \$40,000 dollars, which would amount to an 80 percent loan to value ratio, will allow the RDA to support this project while maintaining an acceptable level of risk with these public funds.

## Department Review

Agency Director and City Manager.

## **Significant Impacts**

None.

## **Recommended Action**

Approve a loan to Computech with the following terms:

1. Loan Value: \$40,000
2. Amortization Period: 10 years
3. Call: At end of 5 years
4. Interest Rate: 3%
5. Payment Schedule: Monthly
6. Security: Second Position Trust Deed behind a maximum \$376,000 commercial loan
7. Other: This offer sunsets December 1, 2015, is not assignable, and may not be extended

## **Attachments**

Application materials  
Amortization Schedule  
Appraisal Documents

**ECONOMIC DEVELOPMENT AND BUSINESS ENHANCEMENT  
REVOLVING LOAN PROGRAM**

**LOAN APPLICATION**

**I. Applicant Information**

Name of Business/Property Owner Vector Holdings

Address 1273 W. 1300 S.

City, State, ZIP Woods Cross, UT 84087

Contact Person Brett Anderson Phone 801.298.2155

**II. Participating Lender Information (if primary funds, all or part, will be borrowed)**

Name of Lender Utah First Credit Union

Address 222 South Temple

City, State, ZIP Salt Lake City, UT 84111

Contact Person 801.320.2600 Title/Department Business Services

Phone 801.320.2600

**III. Applicant Equity Information (if applicant will use own fund for all or part of matching funds)**

Amount provided by applicant 45,000

Amount provided by lender 120,000

**IV. Project Information (on separate sheets)**

- A. Describe, in detail, the scope and elements of your entire project. Explain the proposed uses of the private funds and of the loan funds. The more detailed the explanation, the better.
- B. In as much detail as possible, provide cost figures for the project. Be sure and break out the loan funds. Estimates are acceptable,

- (4) Interest Rate
- (5) Monthly Payment
- (6) Maturity
- (7) Collateral
- (8) Status (current or delinquent)

\* Required if property or other satisfactory collateral is not available to secure the loan.

**VI. General Conditions**

I certify that the above provided information is true and accurate to the best of my knowledge. I understand that receipt of this application by the Redevelopment Agency of Bountiful City does not constitute an agreement to provide loan funds to the applicant. I further understand that the Redevelopment Agency of Bountiful City has the right to reject my application for whatever reason deemed necessary and reasonable. I agree, as a condition of receiving these funds, to abide by all requirements, rules, regulations, and restrictions imposed by the Redevelopment Agency of Bountiful City.

Signed \_\_\_\_\_



Date 14 September 2015

Signed \_\_\_\_\_

Date \_\_\_\_\_

BOUNTIFUL		MATERIALS		LABOR		"VANILLA"		ADDED WORK	
PHASE CODE	DESCRIPTION	AMOUNT	UNIT	AMOUNT	UNIT \$	AMOUNT	UNIT \$	TOTAL	TOTAL
100	PLANS/ENGR.	1	EXCL.	0		0		0	
101	PERMITS/IMPACTS	1	allow	2200	100.00	100	100.00	2300	
120	GENERAL CONDITIONS	1	l.s.	500	2000	2000	2000	2500	
610	DEMO/MISC.	3571	S.F.	0.40	0.90	3214	0.90	4642	Main Closet
610	ROUGH CARP/FRAMING	250	L.F.	9.00	9.00	2250	9.00	4500	
640	MILLWORK FIN. CARP.	3571	S.F.	0.85	0.60	3035	0.60	5178	
650	COUNTERS	28	ALLOW	48	0.00	1344	0.00	1344	
720	SOUND INSULATION	2500	S.F.	0.42	0.00	1050	0.00	1050	
810	INT. WINDOWS	4	EA.	410.00	30.00	1640	30.00	1760	
820	INT. DOORS	18	EA.	320.00	30.00	5760	30.00	6300	
870	HARDWARE/SPECIALTIES	1	ALLOW	1800	0.00	1800	0.00	1800	
920	DRYWALL	8800	S.F.	1.30	0.00	11440	0.00	11440	
930	CERAMIC TILE, baths	355	ALLOW	9.50	0.00	3373	0.00	3373	
930	SHOWER	1	ALLOW	1200.00	0.00	1200	0.00	1200	
970	FLOOR COVERINGS	2771	ALLOW	1.80	0.00	4988	0.00	4988	
990	PAINTING, 2 tone	3571	S.F.	2.30	0.00	8213	0.00	8213	
1200	ACOUSTICAL CEILING 2X2 Conf,server	659	S.F.	3.25	0.00	2142	0.00	2142	Conf.?
1500	PLUMBING, 3 baths, 1 shower, break	1	L.S.	5950	0.00	5950	0.00	5950	
1500	HVAC, Server	1	L.S.	4600	0.00	4600	0.00	4600	
1500	HVAC	2	L.S.	7112	0.00	14224	0.00	14224	
1600	ELECTRICAL	1	SUB	19590	0.00	19590	0.00	19590	
1600	ELECTRICAL, Floor outlets	3	ALLOW	450	0.00	1350	0.00	1350	
1600	LOW VOLTAGE/COMMUNICATIONS	1	ALLOW	10000	0.00	10000	0.00	10000	
1650	FIXTURES	excl.		120	0.00	0	0.00	0	Upgrades?
<b>TOTAL</b>				108077		10367		118444	
Ticomputech				MANAGEMENT				3586	
notes:				SUBTOTAL				\$ 130,288	
								\$ 39,446	
								\$ 169,734	
								\$ 55.00	
								3,800	
								\$ 209,000	
<b>TOTAL SHELL COST UNITS 201 AND 202</b>								\$ 378,734	
TOTAL CONSTRUCTION COSTS (NET FURNISHING ALLOWANCE)								\$ 169,734	
Tenant Improvements								\$ 209,000	
Shell Cost								\$ 378,734	

SHELL COSTS (EXISTING STRUCTURE - NET COMMON AREA)  
Estimated Shell Price Per Sq Ft (net common areas and residential finishings)  
Unit 201 and 202 Gross Sq Ft

**TOTAL SHELL COST UNITS 201 AND 202**

TOTAL CONSTRUCTION COSTS (NET FURNISHING ALLOWANCE)

Tenant Improvements

Shell Cost

**TOTAL CONSTRUCTION COSTS**



### **Brief About Us:**

CompuTech Consulting has been in business since 1996, with one individual doing it all. We initially started in the home-user space, but quickly moved to Commercial and Government IT services. We currently have a staff of six employees.

We are an IT consulting business and Value Added Reseller. We provide all IT services (security, servers, anti-virus, computer/server/backup sales, storage, setup, maintenance, network configuration).

Currently we are the largest Dell Security Partner for their SonicWALL firewall brand in the entire state of Utah. With only 6 employees, this is quite a feat when competing with companies with much larger staff and marketing departments. We attribute our success to our overwhelming desire to take care of the customer and put in place the solutions that will be best for them. We also have strategic partnerships with our software and hardware manufacturer - over 90% of our business is referral based, which shows the great trust and confidence our partners and clients have in us. We have received rankings and recognitions from other manufacturers and distributors as well.

Our customers range from small to medium businesses to enterprise and government and education. We supply desktops, laptops, printers, firewalls, wireless solutions, backup solutions, storage, software and licensing, etc. We are both a sole IT solution provider and we supplement current IT staff. We are partners with many different suppliers/manufacturers, including HP, Dell SonicWALL, Dell Compellent, Sophos, Microsoft, Ruckus Wireless, VMWare, Tegile, StorageCraft and many others.

### **CompuTech's Market Strategy:**

Our major competitors are mostly located in Salt Lake City or online, and so a south Davis County location gives us an advantage in that we can serve clients both in the Salt Lake Metro area and northward. We pride ourselves on being available and present to our customers; we provide live phone service and our business is focused on customer service first and foremost. We help businesses focus on their business not on technology, by handling the technology aspect for them. We offer multiple options for both businesses and organizations with IT staffs and those who have no IT staff at all.

Our current staff consists of six employees; three in tech support, two in office admin, one in a dual role of sales/tech support. Our immediate plans are to increase our sales team to three employees, which in turn will boost our tech needs and increase our tech team.



### **Business Benefit Statement:**

CompuTech is excited to move into Bountiful, and we really appreciate the Bountiful RDA committee and Mayor and City Council for helping us in this process! We are currently located in Woods Cross, not far from our new office. As previously mentioned, a Bountiful location provides us the ability to cater to not only our Davis County clients, but easy access to freeways making it easy to travel anywhere in northern Utah. One major reason for our relocation is the need for additional space to accommodate larger client groups for our “lunch and learns”, seminars, and trainings. It also allows us to expand our staff and technical areas, which will help increase sales. This in turn will bring more business traffic and professional exposure to Bountiful, thus benefiting surrounding businesses.

### **Use of Proceeds:**

Our initial budget was based on drawings provided by an interior design company. Once we moved into construction drawings, it became apparent that the actual costs were significantly more than anticipated. The requested loan of \$120,000 from the RDA will allow us to install superior electrical and HVAC systems (which are critical for an IT company), and reduce the need for future upgrades which are disruptive to our operations.

### **Revenues:**

CompuTech (aka CompuTech Consulting) designs, sells, services, and maintain a significant amount of IT products and services. For the past 3 years, *just* our retail taxable sales have been:

2012	\$1,365,504.72
2013	\$1,081,866.21
2014	\$1,340,072.19

As of this date our taxable sales are \$1,198,668 and we anticipate exceeding \$1.4 M by the end of the calendar year. We are currently in an expansion mode and are programmed to hire more sales staff and technical staff.

### **List of obligations (all are current):**

Synnex Corp	Revolving Account-Net 45	\$58,687.26	Limit \$225,000
Tech Data	Revolving Account-Net 30	\$0	Limit 80,000
D&H	Revolving Account-Net 30	\$13,786.80	



Ingram Micro Revolving Account-Net 30	\$18,061.45	
Security Service Federal Credit Union 2014 Toyota Land Cruiser	\$23,668	Est Value (60k)
Bank of America 2010 Cirrus SR-22	\$396,525.14	Est Value (460,000- 490,000k)
Chase Bank Revolving Line of Credit	\$25,000	Limit \$50,000

Our goal for the next 3 years is to have 10-18% growth! We believe that this is conservative, and with the new building and additional room for staff and Lunch and Learns we anticipate even greater growth.

The Business Loan will be in the name of Vector Holdings, LLC. CompuTech will be a guarantor on the Loan. Brett Anderson owns 100% of both entities.

Loan Amortization Schedule

**Bountiful RDA - Computech-Brett Anderson**

October 13, 2015

Original Balance	\$40,000
Final Balance	\$0
Outstanding Balance at end of Year 5	\$21,495
Rate (Annual/Fixed)	3%
Payments Per Year	12
Loan Period (Months)	120
Loan Origination Date	1-Dec-15
1st Payment Date	1-Jan-16
<b>Monthly Payment</b>	<b>\$386.24</b>

Pmt #	Due Date	P&I Payment	Principal	Interest	Additional Principal	New Balance	Date of Payment	Check Number	FY Cumm Principal	FY Cumm Interest
-	1-Dec-15	-	-	-	-	\$40,000.00				
1	1-Jan-16	\$386.24	\$286.24	\$100.00	\$0.00	\$39,713.76				
2	1-Feb-16	\$386.24	\$286.96	\$99.28	\$0.00	\$39,426.80				
3	1-Mar-16	\$386.24	\$287.68	\$98.57	\$0.00	\$39,139.12				
4	1-Apr-16	\$386.24	\$288.40	\$97.85	\$0.00	\$38,850.72			\$1,149.28	\$395.70
5	1-May-16	\$386.24	\$289.12	\$97.13	\$0.00	\$38,561.60				
6	1-Jun-16	\$386.24	\$289.84	\$96.40	\$0.00	\$38,271.76				
7	1-Jul-16	\$386.24	\$290.56	\$95.68	\$0.00	\$37,981.20				
8	1-Aug-16	\$386.24	\$291.29	\$94.95	\$0.00	\$37,689.91				
9	1-Sep-16	\$386.24	\$292.02	\$94.22	\$0.00	\$37,397.89				
10	1-Oct-16	\$386.24	\$292.75	\$93.49	\$0.00	\$37,105.14				
11	1-Nov-16	\$386.24	\$293.48	\$92.76	\$0.00	\$36,811.66				
12	1-Dec-16	\$386.24	\$294.21	\$92.03	\$0.00	\$36,517.45				
13	1-Jan-17	\$386.24	\$294.95	\$91.29	\$0.00	\$36,222.50				
14	1-Feb-17	\$386.24	\$295.69	\$90.56	\$0.00	\$35,926.81				
15	1-Mar-17	\$386.24	\$296.43	\$89.82	\$0.00	\$35,630.38				
16	1-Apr-17	\$386.24	\$297.17	\$89.08	\$0.00	\$35,333.21			\$3,517.51	\$1,117.42
17	1-May-17	\$386.24	\$297.91	\$88.33	\$0.00	\$35,035.30				
18	1-Jun-17	\$386.24	\$298.65	\$87.59	\$0.00	\$34,736.65				
19	1-Jul-17	\$386.24	\$299.40	\$86.84	\$0.00	\$34,437.25				
20	1-Aug-17	\$386.24	\$300.15	\$86.09	\$0.00	\$34,137.10				
21	1-Sep-17	\$386.24	\$300.90	\$85.34	\$0.00	\$33,836.20				
22	1-Oct-17	\$386.24	\$301.65	\$84.59	\$0.00	\$33,534.55				
23	1-Nov-17	\$386.24	\$302.41	\$83.84	\$0.00	\$33,232.14				
24	1-Dec-17	\$386.24	\$303.16	\$83.08	\$0.00	\$32,928.98				
25	1-Jan-18	\$386.24	\$303.92	\$82.32	\$0.00	\$32,625.06				
26	1-Feb-18	\$386.24	\$304.68	\$81.56	\$0.00	\$32,320.38				
27	1-Mar-18	\$386.24	\$305.44	\$80.80	\$0.00	\$32,014.94				
28	1-Apr-18	\$386.24	\$306.21	\$80.04	\$0.00	\$31,708.73			\$3,624.48	\$1,010.43
29	1-May-18	\$386.24	\$306.97	\$79.27	\$0.00	\$31,401.76				
30	1-Jun-18	\$386.24	\$307.74	\$78.50	\$0.00	\$31,094.02				
31	1-Jul-18	\$386.24	\$308.51	\$77.74	\$0.00	\$30,785.51				
32	1-Aug-18	\$386.24	\$309.28	\$76.96	\$0.00	\$30,476.23				
33	1-Sep-18	\$386.24	\$310.05	\$76.19	\$0.00	\$30,166.18				
34	1-Oct-18	\$386.24	\$310.83	\$75.42	\$0.00	\$29,855.35				
35	1-Nov-18	\$386.24	\$311.60	\$74.64	\$0.00	\$29,543.75				
36	1-Dec-18	\$386.24	\$312.38	\$73.86	\$0.00	\$29,231.37				
37	1-Jan-19	\$386.24	\$313.16	\$73.08	\$0.00	\$28,918.21				
38	1-Feb-19	\$386.24	\$313.95	\$72.30	\$0.00	\$28,604.26				
39	1-Mar-19	\$386.24	\$314.73	\$71.51	\$0.00	\$28,289.53				
40	1-Apr-19	\$386.24	\$315.52	\$70.72	\$0.00	\$27,974.01			\$3,725.41	\$909.50
41	1-May-19	\$386.24	\$316.31	\$69.94	\$0.00	\$27,657.70				
42	1-Jun-19	\$386.24	\$317.10	\$69.14	\$0.00	\$27,340.60				
43	1-Jul-19	\$386.24	\$317.89	\$68.35	\$0.00	\$27,022.71				
44	1-Aug-19	\$386.24	\$318.69	\$67.56	\$0.00	\$26,704.02				
45	1-Sep-19	\$386.24	\$319.48	\$66.76	\$0.00	\$26,384.54				
46	1-Oct-19	\$386.24	\$320.28	\$65.96	\$0.00	\$26,064.26				
47	1-Nov-19	\$386.24	\$321.08	\$65.16	\$0.00	\$25,743.18				
48	1-Dec-19	\$386.24	\$321.89	\$64.36	\$0.00	\$25,421.29				
49	1-Jan-20	\$386.24	\$322.69	\$63.55	\$0.00	\$25,098.60				
50	1-Feb-20	\$386.24	\$323.50	\$62.75	\$0.00	\$24,775.10				
51	1-Mar-20	\$386.24	\$324.31	\$61.94	\$0.00	\$24,450.79				
52	1-Apr-20	\$386.24	\$325.12	\$61.13	\$0.00	\$24,125.67			\$3,848.34	\$786.59

53	1-May-20	\$386.24	\$325.93	\$60.31	\$0.00	\$23,799.74		
54	1-Jun-20	\$386.24	\$326.74	\$59.50	\$0.00	\$23,473.00		
55	1-Jul-20	\$386.24	\$327.56	\$58.68	\$0.00	\$23,145.44		
56	1-Aug-20	\$386.24	\$328.38	\$57.86	\$0.00	\$22,817.06		
57	1-Sep-20	\$386.24	\$329.20	\$57.04	\$0.00	\$22,487.86		
58	1-Oct-20	\$386.24	\$330.02	\$56.22	\$0.00	\$22,157.84		
59	1-Nov-20	\$386.24	\$330.85	\$55.39	\$0.00	\$21,826.99		
60	1-Dec-20	\$386.24	\$331.68	\$54.57	\$0.00	\$21,495.31		
61	1-Jan-21	\$386.24	\$332.50	\$53.74	\$0.00	\$21,162.81		
62	1-Feb-21	\$386.24	\$333.34	\$52.91	\$0.00	\$20,829.47		
63	1-Mar-21	\$386.24	\$334.17	\$52.07	\$0.00	\$20,495.30		
64	1-Apr-21	\$386.24	\$335.00	\$51.24	\$0.00	\$20,160.30		
65	1-May-21	\$386.24	\$335.84	\$50.40	\$0.00	\$19,824.46		
66	1-Jun-21	\$386.24	\$336.68	\$49.56	\$0.00	\$19,487.78		
67	1-Jul-21	\$386.24	\$337.52	\$48.72	\$0.00	\$19,150.26		
68	1-Aug-21	\$386.24	\$338.37	\$47.88	\$0.00	\$18,811.89		
69	1-Sep-21	\$386.24	\$339.21	\$47.03	\$0.00	\$18,472.68		
70	1-Oct-21	\$386.24	\$340.06	\$46.18	\$0.00	\$18,132.62		
71	1-Nov-21	\$386.24	\$340.91	\$45.33	\$0.00	\$17,791.71		
72	1-Dec-21	\$386.24	\$341.76	\$44.48	\$0.00	\$17,449.95		
73	1-Jan-22	\$386.24	\$342.62	\$43.62	\$0.00	\$17,107.33		
74	1-Feb-22	\$386.24	\$343.47	\$42.77	\$0.00	\$16,763.86		
75	1-Mar-22	\$386.24	\$344.33	\$41.91	\$0.00	\$16,419.53		
76	1-Apr-22	\$386.24	\$345.19	\$41.05	\$0.00	\$16,074.34		
77	1-May-22	\$386.24	\$346.06	\$40.19	\$0.00	\$15,728.28		
78	1-Jun-22	\$386.24	\$346.92	\$39.32	\$0.00	\$15,381.36		
79	1-Jul-22	\$386.24	\$347.79	\$38.45	\$0.00	\$15,033.57		
80	1-Aug-22	\$386.24	\$348.66	\$37.58	\$0.00	\$14,684.91		
81	1-Sep-22	\$386.24	\$349.53	\$36.71	\$0.00	\$14,335.38		
82	1-Oct-22	\$386.24	\$350.40	\$35.84	\$0.00	\$13,984.98		
83	1-Nov-22	\$386.24	\$351.28	\$34.96	\$0.00	\$13,633.70		
84	1-Dec-22	\$386.24	\$352.16	\$34.08	\$0.00	\$13,281.54		
85	1-Jan-23	\$386.24	\$353.04	\$33.20	\$0.00	\$12,928.50		
86	1-Feb-23	\$386.24	\$353.92	\$32.32	\$0.00	\$12,574.58		
87	1-Mar-23	\$386.24	\$354.81	\$31.44	\$0.00	\$12,219.77		
88	1-Apr-23	\$386.24	\$355.69	\$30.55	\$0.00	\$11,864.08		
89	1-May-23	\$386.24	\$356.58	\$29.66	\$0.00	\$11,507.50		
90	1-Jun-23	\$386.24	\$357.47	\$28.77	\$0.00	\$11,150.03		
91	1-Jul-23	\$386.24	\$358.37	\$27.88	\$0.00	\$10,791.66		
92	1-Aug-23	\$386.24	\$359.26	\$26.98	\$0.00	\$10,432.40		
93	1-Sep-23	\$386.24	\$360.16	\$26.08	\$0.00	\$10,072.24		
94	1-Oct-23	\$386.24	\$361.06	\$25.18	\$0.00	\$9,711.18		
95	1-Nov-23	\$386.24	\$361.97	\$24.28	\$0.00	\$9,349.21		
96	1-Dec-23	\$386.24	\$362.87	\$23.37	\$0.00	\$8,986.34		
97	1-Jan-24	\$386.24	\$363.78	\$22.47	\$0.00	\$8,622.56		
98	1-Feb-24	\$386.24	\$364.69	\$21.56	\$0.00	\$8,257.87		
99	1-Mar-24	\$386.24	\$365.60	\$20.64	\$0.00	\$7,892.27		
100	1-Apr-24	\$386.24	\$366.51	\$19.73	\$0.00	\$7,525.76		
101	1-May-24	\$386.24	\$367.43	\$18.81	\$0.00	\$7,158.33		
102	1-Jun-24	\$386.24	\$368.35	\$17.90	\$0.00	\$6,789.98		
103	1-Jul-24	\$386.24	\$369.27	\$16.97	\$0.00	\$6,420.71		
104	1-Aug-24	\$386.24	\$370.19	\$16.05	\$0.00	\$6,050.52		
105	1-Sep-24	\$386.24	\$371.12	\$15.13	\$0.00	\$5,679.40		
106	1-Oct-24	\$386.24	\$372.04	\$14.20	\$0.00	\$5,307.36		
107	1-Nov-24	\$386.24	\$372.97	\$13.27	\$0.00	\$4,934.39		
108	1-Dec-24	\$386.24	\$373.91	\$12.34	\$0.00	\$4,560.48		
109	1-Jan-25	\$386.24	\$374.84	\$11.40	\$0.00	\$4,185.64		
110	1-Feb-25	\$386.24	\$375.78	\$10.46	\$0.00	\$3,809.86		
111	1-Mar-25	\$386.24	\$376.72	\$9.52	\$0.00	\$3,433.14		
112	1-Apr-25	\$386.24	\$377.66	\$8.58	\$0.00	\$3,055.48		
113	1-May-25	\$386.24	\$378.60	\$7.64	\$0.00	\$2,676.88		
114	1-Jun-25	\$386.24	\$379.55	\$6.69	\$0.00	\$2,297.33		
115	1-Jul-25	\$386.24	\$380.50	\$5.74	\$0.00	\$1,916.83		
116	1-Aug-25	\$386.24	\$381.45	\$4.79	\$0.00	\$1,535.38		
117	1-Sep-25	\$386.24	\$382.40	\$3.84	\$0.00	\$1,152.98		
118	1-Oct-25	\$386.24	\$383.36	\$2.88	\$0.00	\$769.62		
119	1-Nov-25	\$386.24	\$384.32	\$1.92	\$0.00	\$385.30		
120	1-Dec-25	\$386.26	\$385.30	\$0.96	\$0.00	(\$0.00)		
<b>Totals</b>		<b>\$46,349</b>	<b>\$40,000</b>	<b>\$6,349</b>			<b>\$2,630.36</b>	<b>\$459.58</b>



**APPRAISAL REPORT**

**LOT 2, ORCHARD PINES PUD CONDOMINIUMS  
SECOND FLOOR UNIT**

**LOCATED AT  
2155 SOUTH ORCHARD DRIVE  
BOUNTIFUL CITY, DAVIS COUNTY, UT**

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**PREPARED FOR:  
UTAH FIRST FEDERAL CREDIT UNION**

Mr. Jeffrey M. Stringham  
200 East South Temple  
Salt Lake City, Utah 84111

Submitted by:  
Travis E. Reeves, MAI  
J Philip Cook, LLC  
7090 S Union Park Ave., Suite 425  
Salt Lake City, UT 84047

FILE NUMBER: 15-10-21TR  
Case Code: ufcux-15210

**EFFECTIVE DATE OF APPRAISAL:**  
December 31, 2015 (Prospective)



October 28, 2015

Mr. Jeffrey M. Stringham  
Utah First Federal Credit Union  
200 East South Temple  
Salt Lake City, UT 84111

Re: Appraisal Report – Lot 2, Orchard Pines PUD, located at 2155 South Orchard Drive, Bountiful, UT.

Dear Mr. Stringham:

At your request for an estimate of market value of the fee-simple estate of the above-referenced property, the following report is provided. It contains the bases, data and analysis upon which the value opinion relies. The intended use of the report is to assist with financing considerations.

This report presents only a discussion of the data, reasoning, and analyses that are used in the appraisal process to develop an opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. The report conforms with Title 11 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Regulation 12 CFR Part 34 of the Office of the Comptroller of the Currency titled Real Estate Appraisals, the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute, and your guidelines.

The subject was inspected on October 22, 2015. I anticipate it will take approximately two months to complete interior build out and a prospective "as complete" value date of December 31, 2015 is used. Available market data have been carefully considered and analyzed. As supported in the attached report, it is my opinion market value of the subject, as detailed herein, is:

**FIVE HUNDRED TWENTY THOUSAND DOLLARS**  
**(\$520,000)**

This report is subject to Assumption and Limiting Conditions expressed throughout the report and presented in the addenda. Specifically, the following assumptions and limiting conditions are incorporated.

- It has been reported that the subject building will be converted into three separate condominium units and floors one and two are reportedly being sold to two separate entities. The current fee-owner of the entire building will reportedly retain ownership of the third floor. For this analysis the hypothetical condition is incorporated that the subject building has been converted to condominiums and the subject unit comprises an independent condominium unit.
- The subject unit is presently being built out. Brian Knowlton reports that remaining costs to complete interior build out equate to approximately \$80,000. The client is considering financing a purchase of the finished product. Only a prospective "as complete" value is being provided herein.

The above value reflects a reasonable market exposure period of six-to-12 months. I trust this is sufficient to accomplish its intended functions. Please call if I can be of further assistance.

Respectfully submitted,



Travis E. Reeves, MAI  
J Philip Cook, LLC  
Utah State - Certified General Appraiser  
Certificate 6075610-CG00 Expires 10-31-17