TO:   State Board of Regents

FROM:   David L. Buhler

SUBJECT:  Utah Valley University – Main Campus Property Purchase

Issue

Utah Valley University (UVU) requests Board approval to purchase four properties contiguous to campus. The property would be bought at the appraised value of $1,810,000 using a loan from the institution’s Foundation.

Background

Regent Policy R710, Capital Facilities requires the Board of Regents to approve all property purchases exceeding $500,000. The University requests Board approval to use a loan from the University’s Foundation to purchase the four properties at the appraised value of $1,810,000. UVU would repay the loan over ten years at 5.5 percent interest with institutional funds. This request was approved by the UVU Board of Trustees in the June 16, 2016 meeting.

Recently, a developer has acquired residential properties in the Palos Verde area for the purpose of creating student housing on the east side of UVU’s Orem main campus. It is anticipated that this new development will benefit UVU students by providing housing options in close proximity to campus. In addition, UVU is planning to develop a new parking lot to accommodate increased student demand directly south of the Palos Verde neighborhood (currently used as intermural fields). There is a small privately owned cul-de-sac property which consists of three houses and one vacant lot on approximately an acre and a half of land that sits adjacent to both of these developments that the University would like to purchase to complete its development plans. Residents of the cul-de-sac have been in discussion with the University to purchase their property at the appraised value of $1,810,000.

Additional information about this request may be found in the attached letter and map from the University, the appraisal summaries of the four properties, and the most recent master plan. Representatives from Utah Valley University will be available to address questions from the Board.

Commissioner’s Recommendation

The Commissioner recommends that the Board authorize Utah Valley University to proceed with the acquisition of property contiguous to the University.

_____________________________
David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments
June 22, 2016

Dave Buhler
Commissioner
Utah System of Higher Education
Board of Regents Building, Two Gateway
60 South 400 West
Salt Lake City, UT 84101-1284

Dear Commissioner Buhler:

Utah Valley University seeks Board of Regents approval to purchase three homes and a building lot that are contiguous to the University property. These homes are next to a parking lot which the University is building to accommodate the continued growth of the University. The University has had extensive dialogue with the neighborhood about the parking lot and included a number of design additions to reduce the impact to the neighbors. As these discussions progressed, an opportunity arose for a developer to purchase Palos Verdes neighborhood for a student housing development.

PEG Development, after discussion with Utah Valley University, is moving forward to purchase the Palos Verde Neighborhood for the purpose of creating a student development. The Hatch’s/Miller’s/Washburn’s own three homes and a lot that are in a private development that is contiguous to the University and the Palos Verde neighborhood. The University feels it is in the best interest of the institution to purchase these homes to move the student housing project forward. The University has received four appraisals for the properties.

1. 1052 S. 400 W. $530,000
2. 1044 S. 400 W. $650,000
3. 1040 S. 400 W. $470,000
4. Building Lot $160,000

The University has come to an agreement with all three home owners to purchase the property at appraised value. The property will be purchased through a loan from the foundation at 5.5 percent and 10 years.

If you have any questions please feel free to contact me at 801-863-8424 or petersva@uvu.edu.

Sincerely,

Val L. Peterson
Vice President
UVU Property
Future Site of a Parking Lot

Palos Verde Neighborhood
Proposed Student Housing

Property Purchase
APPRAISAL REPORT OF

Miller, Reed D & Rebecca
1052 S 400 W
Orem, UT 84058-6736

AS OF
05/20/2016

PREPARED FOR
Jean Miner - Receiving
Utah Valley University
800 W University Parkway
Orem, UT 84058

PREPARED BY
Lyle Burton & Susan Denbow, SRA
Denbow Appraising
257 W 400 S
Orem, UT 84058
## Residential Appraisal Report

**Property Address:** 1050 S 460 W, Orem, UT 84058

**Owner:** MILLER, REBECCA MILLER, RONALD D.  
**Legal Description:** LOT 1, PLT A, MELVILLE MANOR SUB. AREA 52 ACRE

**Assessor's Parcel #:** 463:01:0001  
**Tax Year:** 2016  
**R.S., Taxes:** 2,700.83  
**County:** Utah  
**Market:** Orem

### Subject

**Occupant:** Tenants  
**Special Assessments:** Yes  
**Leasehold:** Yes

**Intended Use:** Residential

**Client:** Utah Valley University  
**Address:** 800 W University Parkway, Orem, UT 84058

**Is the property subject currently listed for sale, or has it been offered for sale in the twelve months prior to the effective date of this appraisal?** Yes  
**Is data source used, offerings price, and date?** Wasatch Front MLS

**Contract Price:** $0  
**Date of Contract:**  

**Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the purchaser?** No  
**If yes, report the total dollar amount and describe the items to be paid:**

### Neighborhood Characteristics

<table>
<thead>
<tr>
<th>Location</th>
<th>Urban</th>
<th>Rural</th>
<th>Property Value</th>
<th>Demand/Supply</th>
<th>Shortage</th>
<th>In-Balance</th>
<th>Over-supply</th>
<th>Trends</th>
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<tbody>
<tr>
<td>Built-Up</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>100%</td>
</tr>
<tr>
<td>Growth</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>100</td>
</tr>
<tr>
<td>Zoning</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>100</td>
</tr>
<tr>
<td>Utilities</td>
<td>Public</td>
<td>Other</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>100</td>
</tr>
<tr>
<td>Gas</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>100</td>
</tr>
<tr>
<td>FEMA Special Flood Hazard Area</td>
<td>Yes</td>
<td>No</td>
<td>FEMA Flood Zone C</td>
<td>FEMA Map # 4902160050A</td>
<td>FEMA Map Date 09/24/1984</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### General Description

<table>
<thead>
<tr>
<th>Units</th>
<th>One with Accessory Unit</th>
<th>Foundation</th>
<th>Exterior</th>
<th>Interior</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Stairs</td>
<td>2</td>
<td>X</td>
<td>Foundation Walls</td>
<td>Concrete</td>
</tr>
<tr>
<td># of Bathrooms</td>
<td>2</td>
<td>X</td>
<td>Brick/Vinyl/Glazed</td>
<td></td>
</tr>
<tr>
<td># of Bedrooms</td>
<td>3</td>
<td>X</td>
<td>Drywall/A-Gd</td>
<td></td>
</tr>
<tr>
<td># of Bathrooms</td>
<td>2</td>
<td>X</td>
<td>Walls</td>
<td></td>
</tr>
<tr>
<td># of Bathrooms</td>
<td>1</td>
<td>X</td>
<td>Brick/Vinyl/Glazed</td>
<td></td>
</tr>
</tbody>
</table>

### Improvements

**Additional features:** Insulated windows, good insulation package.  
**Do the property generally conform to the neighborhood functional use, style, condition, use, or construction, etc.?** Yes  
**If no, describe:**

---

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**Produced by:** ClickFORMS Software 800-622-8727  
**Page:** 3 of 38
### Residential Appraisal Report

**Address**: 1052 S 410 W, Orem, UT 84058

**Proximity to Subject**: 0.79 miles NE, 0.42 miles NE, 0.60 miles NE

<table>
<thead>
<tr>
<th>Sale Price</th>
<th>$449,000</th>
<th>$440,000</th>
<th>$440,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Price/Inc. Area</td>
<td>$0.00 sq. ft</td>
<td>$135.16 sq. ft</td>
<td>$135.30 sq. ft</td>
</tr>
<tr>
<td>Data Source(s)</td>
<td>WFRMLS/S135457:DOM 36</td>
<td>WFRMLS/S135371:DOM 144</td>
<td>WFRMLS/S1342306:DOM 34</td>
</tr>
<tr>
<td>Verification Source(s)</td>
<td>RE:Osmond Real Estate</td>
<td>RE:Pink Ribbon Realty</td>
<td>RE:KW Westfield Keller Williams</td>
</tr>
<tr>
<td>VALUE ADJUSTMENTS</td>
<td>DESCRIPTION</td>
<td>$+135,565</td>
<td>$+32,220</td>
</tr>
<tr>
<td>Sale of Housing</td>
<td>ArmLth (Arm.ch)</td>
<td>ArmLth</td>
<td>ArmLth</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>Cory (Cory)</td>
<td>Cory (Cory)</td>
<td>Cory (Cory)</td>
</tr>
<tr>
<td>Date of Sale/Time</td>
<td>04/16/2031/16</td>
<td>04/16/2031/16</td>
<td>04/16/2031/16</td>
</tr>
<tr>
<td>Leasehold/Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Site</td>
<td>22,651 sf</td>
<td>11,761 sf</td>
<td>+33,565</td>
</tr>
<tr>
<td>Design</td>
<td>Two Story</td>
<td>Two Story</td>
<td>Two Story</td>
</tr>
<tr>
<td>Quality of Construction</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Acreage</td>
<td>24 yrs</td>
<td>24 yrs</td>
<td>0</td>
</tr>
<tr>
<td>Above Grade</td>
<td>Good</td>
<td>Good</td>
<td>+5,000</td>
</tr>
<tr>
<td>Basement</td>
<td>1,067 sf</td>
<td>1,067 sf</td>
<td>1,067 sf</td>
</tr>
<tr>
<td>Rooms Below Grade</td>
<td>1,054 sf</td>
<td>1,054 sf</td>
<td>1,054 sf</td>
</tr>
<tr>
<td>Basement Finished</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Heating/Cooling</td>
<td>FWA/Central</td>
<td>FWA/Central</td>
<td>FWA/Central</td>
</tr>
<tr>
<td>Swimming Pool</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Fireplace</td>
<td>Two Fireplaces</td>
<td>Two Fireplaces</td>
<td>Two Fireplaces</td>
</tr>
<tr>
<td>Landscaping</td>
<td>Landscaped</td>
<td>Landscaped</td>
<td>Landscaped</td>
</tr>
<tr>
<td>Additional Features</td>
<td>In Law Det Garage</td>
<td>In Law Det Garage</td>
<td>In Law Det Garage</td>
</tr>
<tr>
<td>Net Adjustment</td>
<td>$40,885</td>
<td>$64,540</td>
<td>$79,983</td>
</tr>
</tbody>
</table>

**Summary of Sales Comparison Approach**

The Wasatch Front MLS or referred to as the (WFRMLS) within this appraisal report, was used for all sales and listing data and was considered reliable. Very few sales were available in the WFRMLS on sites as large as the subject's 52 acre or 22,051 sf. Sale #1 is the same age as the subject, 305 sq ft smaller in gross living area and with a similar basement size. Sale #2 is located less than 1/2 mile Northeast of the subject, it's the same age, similar in quality and condition. Sale #3 is less than one mile Northeast of the subject, similar in age, quality, condition and gross living area. Due one additional sale #4, with one active listing #5 and one under contract listing #6 on page four. A review of all four comparable sales which range from a low of $461,430 to a high of $508,045. The weighted average of $514,556 and considering sale #2 to be the most reliable sale. The most reasonable opinion of value, as of the effective date of this appraisal report, would be: $530,000.

**Indicated Value by Sales Comparison Approach** $530,000

**RECONCILIATION**

**This appraisal was made X "est" subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetic condition that the repairs or alterations have been completed, or subject the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:**

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is $530,000, as of 05/20/2016.
APPRAISAL REPORT OF

Washburn, David J & Joan M
1044 S 400 W
Orem, UT 84056-6736

AS OF
05/20/2016

PREPARED FOR
Jean Miner - Receiving
Utah Valley University
800 W University Parkway
Orem, UT 84058

PREPARED BY
Lyle Burton & Susan Danbow, SRA
Denbow Appraising
257 W 400 S
Orem, UT 84058
Residential Appraisal Report

The purpose of this appraisal report is to provide the client with an accurate and adequately supported opinion of the market value of the subject property.

Property Address: 1044 S 4070 W, Orem, UT

Legal Description: LOT 2, PLAT A, MELVILLE MANOR SUB. AREA, 50 ACRE.

Assessor's Parcel #: 46:30:3:0002

Tax Year: 2016

R.E. Taxes: $2,625.79

Neighborhood Name: Southwest Orem/Melville Manor

Occupant: Owner

Rental: No

Special Assessments: $0

Property Rights: Appraised

Parking & Leases: None

Intended Use: Residential

Client: Utah Valley University

Address: 800 W University Parkway, Orem, UT 84058

Is the subject property currently for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal report? Yes [ ] No [X]

If market data is used, please state the source. [X] Wasatch Front MLS, listed price $199,500, listed date: 03/1/2016, days on market: 75. Old value $745,900, changed to $710,800 on 04/10/2010; changed to $745,900 on 04/22/2010; changed to $695,900 on 05/04/2010.

If [ ] not, did you analyze the contract for sale for the subject purchase transaction? Explain the results of the analysis of the contract for sale or why the analysis was not performed. [X]

Is the property seller the owner of public record? Yes [X] No [ ]

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the purchaser? Yes [ ] No [X]

If [ ] not, report the total dollar amount and describe the items to be paid.

CONTRACT

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics

Location: Urban

Demographic: Diverse

Housing Stock: Mix

General Description

Units: 1

Foundations: Concrete Slab

Exterior Description: Materials/condition

Interior Description: Materials/condition

Utilities: Water

Gas

Zoning Classification: R-8

Is the highest and best use of subject property as proposed or as proposed per plans and specifications the present use? [ ] Yes [X] No [ ]

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes [ ] No [X]

Are there any adverse site conditions or external factors? No

Apparent adverse easements noted at time of inspection. The appraiser is not an expert in these areas but only reports obvious visual problems.

IMPROVEMENTS

Additional features: Insulated windows, good insulation package.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is generally in good condition. Good quality all brick exterior, two story style dwelling. No major depreciation visible was observed, no recommended repairs, renovations or remodeling. But appraiser is not an expert and a building inspector would be recommended.

Are there any physical deficiencies or adverse conditions that affect the liability, soundness, or structural integrity of the property? Yes [X] No [ ]

The single family dwelling appears to not have any major deficiencies. An appraiser is only responsible to report visible problems and is not a property inspector. No warranty is implied.

Does the property generally conform to the neighborhood functional utility, style, condition, use, construction, etc.? Yes [X] No [ ]

NL - Residential 5/20/07

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Residential Appraisal Report

There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from $795,000 to $599,000.

There are 3 comparable sales in the subject neighborhood within the past twelve months ranging in sales price from $549,000 to $669,500.

Address
1644 S 440 W
Orem, UT 84058

159 W Westview Drive
Orem, UT 84058

467 N Palmview
Orem, UT 84097

462 S Palmview Drive
Orem, UT 84097

Proximity to Subject
1.06 miles S
2.85 miles NE
1.96 miles E

Sale Price
$795,000
$599,000
$625,000
$610,000

Sale Price/Usable Area
$0.00 sq. ft.
$144.82 sq. ft.
$147.61 sq. ft.
$150.47 sq. ft.

Data Source
WFRM#919567-DOM 10
WFRM#933214-DOM 108
WFRM#931461-DOM 42

Verification Sources
RE:Aspen Real Estate
RE:Citihome Collective
RE:Wyngate Properties

Description
- DESCRIPTION
- +1 $ Adjustment
- DESCRIPTION
- +1 $ Adjustment
- DESCRIPTION
- +1 $ Adjustment

Sale or Financing
Armi.th
Armi.th
Armi.th

Concessions
Cash,0
Cash,0
Cash,0

Date of Sale/Time
2/02/15 8:01:16
2/02/15 8:01:16
2/02/15 8:01:16

Location
N:Res;
N:Res;
N:Res;
N:Res;

Leasehold/Free Simple
Free Simple
Free Simple
Free Simple
Free Simple

Site
21,780
18,295 sf
24,670
20,632 sf
20,296
19,637 sf

View
N:Res;
N:Res;
N:Res;
N:Res;

Style
Two Story
Two Story
Two Story
Two Story

Quality of Construction
Good
Good
Good
Good

Actual Age
24 yrs
30 yrs
22 yrs
51 yrs
+27,000

Condition
Good
Good
Good
Good

Above Grade
Total Basements Baths 10 5 3.5 10 5 4.0 0 2,500 6 4 2,1 6 7 3 21 7 3 21 7 3 21 7 3 21

Basement & Finishing
Total Basements Baths 10 5 3.5 10 5 4.0 0 2,500 6 4 2,1 6 7 3 21 7 3 21 7 3 21 7 3 21

Roofs
Total Basements Baths 10 5 3.5 10 5 4.0 0 2,500 6 4 2,1 6 7 3 21 7 3 21 7 3 21 7 3 21

Functional Utility
Typical
Typical
Typical
Typical

Heating/Cooling
FPA/CA/CA
FPA/CA/CA
FPA/CA/CA
FPA/CA/CA

Garage/Carport
2 Car Garage Att.
3 Car Garage Att.

Porch/Patio/Deck
Deck,Patio, Porch
Deck,Patio, Porch
Deck,Patio, Porch
Deck,Patio, Porch

Fireplaces
2 Fireplaces
3 Fireplaces
2 Fireplaces
3 Fireplaces

Landscape
Landsc. fronts.
2nd kitchen/ Shed

Adjusted Sale Price of Comparables
Net Adj:-5%
Net Adj: -2%
Net Adj: 4%
Net Adj: 15%

Indicated Value by Sales Comparison Approach $650,000

Analysis of prior sales or transfer history of the subject property and comparable sales. No sales or transfer history was located for the subject in the past three years. Only prior sales were listed for comparable sales.

Summary of Sales Comparison approach. The Wasatch Front MLS or referred to as the (WFRMLS) within this appraisal report, was used for all sales and listing data and was considered reliable. Due to the subject's larger gross living area, age - 24 years - good condition and quality, there were very few sales comparable to the subject. Thus, the distances and less recent sales were needed. Sale #1 is a less recent sale, but similar in quality, age, and gross living area. Sale #2 is located further in distance, but similar in quality, age, and gross living area and basement size. Sale #3 is an older property but in good condition, with a similar sized basement and one of the few sales located with a two car garage. See one additional sale #4 with two active listings are one page, four grid. After reviewing all four sales, which range from a low of $294,085 to a high of $360,421. And two active listings of $729,053 and $764,060, the weighted average of $657,437. Sale #2 was considered most reliable sale due to it's similar gross living area, age (effective) and low net end gross adjustments.

Reconciliation

Indicated Value by Sales Comparison Approach $650,000

Analysis of prior sales or transfer history of the subject property and comparable sales. No sales or transfer history was located for the subject in the past three years. Only prior sales were listed for comparable sales.

Summary of Sales Comparison approach. The Wasatch Front MLS or referred to as the (WFRMLS) within this appraisal report, was used for all sales and listing data and was considered reliable. Due to the subject's larger gross living area, age - 24 years - good condition and quality, there were very few sales comparable to the subject. Thus, the distances and less recent sales were needed. Sale #1 is a less recent sale, but similar in quality, age, and gross living area. Sale #2 is located further in distance, but similar in quality, age, and gross living area and basement size. Sale #3 is an older property but in good condition, with a similar sized basement and one of the few sales located with a two car garage. See one additional sale #4 with two active listings are one page, four grid. After reviewing all four sales, which range from a low of $294,085 to a high of $360,421. And two active listings of $729,053 and $764,060, the weighted average of $657,437. Sale #2 was considered most reliable sale due to it's similar gross living area, age (effective) and low net end gross adjustments.

Reconciliation

Indicated Value by Sales Comparison Approach $650,000
APPRAISAL REPORT OF

Hatch, Nathan S & Janet M
1040 S 400 W
Orem, UT 84058-6736

AS OF
05/20/2016

PREPARED FOR
Joan Miner - Receiving
Utah Valley University
800 W University Parkway
Orem, UT 84058

PREPARED BY
Lyle Burton
Denbow Appraising
257 W 400 S
Orem, UT 84058
Residential Appraisal Report

The purpose of this appraisal report is to provide the client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address: 1040 S 40TH W
City: Orem
State: UT
Zip Code: 84058-5738

Owner: HATCH, NATHAN S & JANET M (ET AL)
Intended Use: Utah Valley University

Legal Description: LOT 3, PLAT A, MELVILLE MANOR SUB. AREA, 26 ACRE

Assessor's Parcel #: 46:30:01:0003
Tax Year: 2015
R.E. Taxes: $2,086.74

Neighborhood Name: Southwest Orem/Melville Manor
Map Reference: 498690
Census Tract: 0011.03

Occupancy: Owner
Tenants: Vacant
Special Assessments: $0

Property Rights: Approved
Fee Simple
Leasehold
Other (describe)

Intended Use: Opinion of Market Value

Client: Utah Valley University
Address: 800 W University Parkway, Orem, UT 84058

Is the subject property currently listed for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? [ ] Yes [ ] No

Report data source(s) used, offering price(s), and date(s): Waiakechi Front, MLS

I did not analyze the contract for sale or the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price $ Date of Contract

Is there any financial assistance (loan guarantees, credit, debt, or down payment assistance, etc.) to be paid by any party on behalf of the purchaser? [ ] Yes [ ] No

If yes, report the total dollar amount and describe the items to be paid.

Note: Race and the racial composition of the neighborhood is not a factor.

Neighborhood Characteristics:

<table>
<thead>
<tr>
<th>Location</th>
<th>Urban</th>
<th>X</th>
<th>Suburban</th>
<th>Rural</th>
<th>Property Values</th>
<th>Inconsistent</th>
<th>X</th>
<th>Stable</th>
<th>X</th>
<th>Declining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built-Up</td>
<td>Over 25%</td>
<td>X</td>
<td>Under 25%</td>
<td>X</td>
<td>25-75%</td>
<td>X</td>
<td>Under 25%</td>
<td>X</td>
<td>75%+</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>Rapid</td>
<td>X</td>
<td>Stable</td>
<td>X</td>
<td>Slow</td>
<td>X</td>
<td>Marketing Time: Under 3 mths</td>
<td>X</td>
<td>3-6 mths</td>
<td>X</td>
</tr>
</tbody>
</table>

Neighborhood Boundaries:

- North to 400 East - South to 600 South - East to State Street - West to 1500 South
- Interstate 15 - 500 East
- Orem, UT

Neighborhood Description:

- Subject is located in a subdivision known as Melville Manor in west Orem. Immediate market area consists of mixed age and quality single family residences. Access is to all city amenities, schools, Utah Valley University, shopping and employment within 1/2 to 3 miles. Market is typically 60-120 days. Good access to interstate 15, being approximately 1/2 mile west which gives good employment opportunities for Utah and Salt Lake.

Utilities:

<table>
<thead>
<tr>
<th>Public</th>
<th>Other (describe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>X</td>
</tr>
<tr>
<td>Sanitary Sewer</td>
<td>X</td>
</tr>
</tbody>
</table>

Specific Zoning Classification:

- R-8
- Zoning Description: Single Family Residential 8,000 sq ft

Design (Style):

- Two Story
- Outside Entrance
- Bump Pump

Year Built:

- 1992
- Evidence of Intake
- Storm Sash/Insulated Combo
- Car Storage
- None

Effective Age (Yrs):

- 5
- Dampness
- Sponginess
- Screens
- Full/Ord

Floor:

- Stairs
- Other
- X
- Tile
- Stairs
- Other
- X
- Porch
- Stairs
- Other

Heated:

- Individual
- Other
- Root
- Other
- Spk Syst
- X

Appliances:

- 1040 S 50TH W
- Square Feet of Gross Living Area Above/On Grade:
- 9 Rooms
- 4 Bedrooms
- 2.5 Bath
- 3,006

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is in very good condition and is a total remodel.

- Good quality new hard board siding and existing brick exterior; two story style. No major depreciation visible was observed, no needed repairs, renovations or remodeling.
- Appraiser is not an expert and a building inspector would be recommended.

Is there any physical defect or condition of the property that affects the livability, soundness or structural integrity of the property? [ ] Yes [ ] No

Is the single family dwelling to have any major deficiencies? [ ] Yes [ ] No

Is the property generally conformed to the neighborhood functional utility, style, condition, use, construction, etc.? [ ] Yes [ ] No

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Residential Appraisal Report

There are 2 comparable properties currently offered for sale in the subject neighborhood ranging in price from $397,000 to $408,000. There are 2 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $397,000 to $399,000.

FEATURE
SUBJECT COMPARABLE SALE #1 COMPARABLE SALE #2 COMPARABLE SALE #3

ADDRESS
1040 S 400 W 221 W Countryside 728 S 250 W 1980 N 500 W
Orem, UT 84058 Orem, UT 84058 Orem, UT 84058 Orem, UT 84097

Proximity to Subject
1.09 miles N 0.42 miles NE 3.94 miles N

Sale Price
$ 397,000 $ 408,000 $ 399,000

Sale Price/SqFt. Land Area
$ 420.00 $ 440.00 $ 485.00

Data Source
WFRML #1335147-1 DOM 137 WFRML #1335147-1 DOM 144 WFRML-SM332007-1 DOM 11

Verification Source
RE: Coldwell Banker RE: Pink Ribbon Realty RE: Better Homes & Gardens

VALUE ADJUSTMENTS
DESCRIPTION +10 $ Adjustment DESCRIPTION +10 $ Adjustment DESCRIPTION +10 $ Adjustment

Sale of Family
Arml. th Arml. th Arml. th

Concession
Conv/0 Conv/0 Conv/0

Date of Sale/Time
3/24/16 3/23/16 3/15/15

Location
N/N; N/N; N/N; N/N;

Landshaped as Image
Eve Simple Eve Simple Eve Simple Eve Simple

Site
12,197 sf 11,761 sf 14,556 sf 16,454 sf

View
N/N; N/N; N/N; N/N;

Design/Style
Two Story Two Story Two Story Two Story

Quality of Construction
Good Good Good G- Good

Age
24 yrs 24 yrs 24 yrs 25 yrs

Remodeled/Condition
Remodeled Good +35,000 Good +35,000 Remodeled

Above Grade
Total Bds Baths Total Bds Baths Total Bds Baths Total Bds Baths

Roof Count
8 1.5 4 2.5 8 1.5 4 2.5 8 1.5 4 2.5

Gross Living Area
2,095 sq ft 2,987 sq ft -7,988 3,329 sq ft 2,829 sq ft 3,239 sq ft -9,429 2,531 sq ft +5,840

Bedroom & Finished
1,389 sf 1,747 sf -6,998 1,571 sf -3,460 1,299 sf +2,580

Basement Below Grade
7,329 sf 699 sf +9,435 1,540 sf +3,180 1,206 sf +1,830

Functional Utility
Typical Typical Typical Typical

Heating/Cooling
F/WA/Central F/WA/Central F/WA/Central F/WA/Central

Exterior Features
Typical features Typical features Typical features Typical features

Garage/Carport
2 Car Gar. Att. 3 Car Gar. Att. -5,000 3 Car Gar. Att. -5,000 3 Car Gar. Att. 0

Porch/Patio/Deck
Deck/Porch Patio Porch +5,000 Deck/Porch Deck/Porch +5,000

Fireplaces
1 Fireplace 1 Fireplace None +2,500 None +2,500

Landscape/Landscaping
Lands.fndc.sq 2,500 Landsc.fndc.sq 2,500 Landsc.fndc.sq 2,500 Landsc.fndc.sq

Additional Features
In Law Apt None -12,500 In Law Apt None Good Features 0

Adjust Adjusted Sale Price of Net Adj: 13% Net Adj: 3% Net Adj: 5%

Comparables Gross Adj: 21% $ 472,035 Gross Adj: 14% $ 453,840 Gross Adj: 6% $ 469,750

I X did [ ] did not report the sale or transfer history of the subject property and comparable sales. If not, explain.

My Research [ ] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source (s) Wasatch Front MLS. Utah County Recorder

My Research [ ] did not reveal any prior sales or transfers of the comparable properties for the year prior to the date of the sale of the comparable.

Data Source (s) Wasatch Front MLS.
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales report additional prior sales on page 3.

ITEM SUBJECT COMPARABLE SALE #1 COMPARABLE SALE #2 COMPARABLE SALE #3

Date of Prior Sale/Transfer
05/25/2016 05/25/2016 05/25/2016

Price of Prior Sale/Transfer

Analysis of prior sale or transfer history of the subject property and comparable sales.

Analysis of prior sale or transfer history of the subject property and comparable sales: No sales or transfer history was located for the subject in the past three years. Only prior sales were listed for comparable sales.

Summary of Sales Comparison Approach: The Wasatch Front MLS or referred to as the (WFRMLS) within this appraisal report was used for all sales and listing data and was considered reliable. Considering the subject's recent total remodeling, sales with similar remodeled interiors and exteriors were sought within the Wasatch Front MLS. Very few were available, thus larger than typical one line adjustments were made on the "Condition" line for those sales deemed inferior in condition. All sales are similar in age and gross living area. See one additional sale #4 with one active listing #5 and one under contract listing #6 on page four grid. A review of all four sales, along with the weighted average.

Indicated Value by Sales Comparison Approach $ 470,000

Indicated Value by Sales Comparison Approach $ 470,000 Cost Approach (if developed) $ 478,993 Income Approach (if developed) $ N/A

After reviewing my inspection, cost to replace comparable listings, and market sales, I reconcile my opinion of value as of the date of my inspection to be: $470,000; Four Hundred Seventy Thousand Dollars.

This appraisal is made [ ] "as is" [x] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [ ] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or [x] subject to the following repairs or alterations on the basis of a hypothetical condition that the condition or deficiency does not require alteration or repair.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (your) opinion of the market value, as defined, of the real property that is the subject of this report is ($ 470,000), as of 05/20/2016.

NL = Residential 5/2007 This form may be reproduced without written permission, however; Bradford Technologies, Inc. must be acknowledged and credited.

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APPRAISAL REPORT OF

Hatch Lot
445 W 1000 S
Orem, UT 84058

AS OF
05/28/2016

PREPARED FOR

Utah Valley University

PREPARED BY

Susan Denbow, SRA
Denbow Appraising
257 W 400 S
Orem, UT 84058
### LAND APPRAISAL REPORT

**Owner**: Hatch  
**Census Tract**: 0103.03  
**Map Reference**: 49049

**Property Address**: 445 W 1090 S  
**City**: Orem  
**County**: Utah  
**State**: UT  
**Zip Code**: 84058

**Legal Description**: tax#46-301-0004  Lot 4 Melville Manor Plat A

**Sale Price**: $  
**Date of Sale**:  
**Property Rights Appraised**: Fee  
**Leasehold**: No  
**Minerals P/U**: No

**Actual Real Estate Taxes**: $ 2,614 (yr)  
**Loan Charges to be paid by seller**:  
**Other Sales Concessions**:  
**Client**: Utah Valley University  
**Address**:  
**Occupant**: Vacant Land  
**Appraiser**: Susan Denbow, SRA  
**Instructions to Appraiser**: Appraise vacant land

**Intended Use**: Utah Valley University  
**Intended Use Market value**: Good Avg. Fair Poor

**Location**: Urban  
**Type of Land**: Vacant Land

**Built Up**: Yes  
**Growth Rate**: Fully Developed  
**Ownership**: Vacant Land  
**Zoning**: Single family residential

**Property Values**: X Increasing, Stable  
**Demand Supply**: Shortage, In Balance  
**Marketing Time**: Under 1 Mth, 4-6 Mths

**Present Land Use**: 0% Industrial, 0% Vacant, 0% Vacant

**Present Use**: To Vacant Land  
**Predominant Occupancy**: Vacant Land

**Single Family Price Range**: $175,000 to $700,000  
**Predominant Value**: $450,000  
**General Appearance of Property**: Good Condition

**Comments**: Including those factors, favorable or unfavorable, affecting marketability (e.g., public parks, schools, view, noise). Subject is located in a subdivision known as Melville Manor in southwest Orem. Immediate market area consists of mixed age and quality single family residences. Good access to all city amenities, schools, Utah Valley University, shopping and employment within a mile. Marketing time for Orem lots is typically 90-120 days. Good access to interstate 15, being approximately a mile west which gives good employment opportunities for Utah and Salt Lake counties.

**Dimensions**: Rectangular, See Plat Map for Area Measurements

**Zoning Classification**: R-8  
**Highest and best use**: Single family residential, 8,000 sq ft min. site size

**Electric**: Rock Mt Power  
**Gas**: In Street  
**Water**: In Street  
**San. Sewer**: In Street  
**Underground Elec. & Tel**: Street Light

**Site Improvements**: Off Site  
**Street Access**: Public

**Street**: 23rd Ave, Average for neighborhood

**Shape**: Rectangular

**Terrain**: Topography

**Property**: Site, Improvements

**Comments**: Comments on favorable or unfavorable appear any apparent adverse easements, encroachments or other adverse conditions. Flood hazard reporting agency indicates the subject is not within a flood hazard area. Drainage appears to be adequate, Site is located on the south side of 1000 South Street.

**Market Analysis**

#### SUBJECT PROPERTY

**Comparables 1**

<table>
<thead>
<tr>
<th>Address</th>
<th>Size</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>445 W 1090 S</td>
<td>2,856 sq ft</td>
<td>$172,000</td>
</tr>
<tr>
<td>565 W 1240 N</td>
<td>3,000 sq ft</td>
<td>$122,000</td>
</tr>
<tr>
<td>1839 S 400 W</td>
<td>3,500 sq ft</td>
<td>$150,000</td>
</tr>
<tr>
<td>1531 S 235 W</td>
<td>3,750 sq ft</td>
<td>$125,000</td>
</tr>
</tbody>
</table>

**Price**: $  
**Price per SF**: $  
**Percentage of Value**: $  
**Percentage of Price per SF**: $  

**Data Source**: CoTo#39-236-0098MLS  
**Date of Sale and Time Adjustment**: 2/27/2016  
**Site Improvement**: N/A  
**Zoning**: R-8

**Improvements**: None  
**Utility**: Moderate

**Net Adjust**: None  
**Adjusted Value**: $9,584

**Comments on Market Data**: These companies are residential sites in Orem. Adjustments for size, location and improvements have been made.

**Reconciliation**

**Final Reconciliation**: After reviewing the three above sales and determine sale #3 and #8 to be the most reliable sale, the most weight was given to these sales in determining the opinion of value for the subject lot would be: $160,000.

**RECONCILIATION**

**ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF**: 09/26/2016  
**MARKET VALUE**: $160,000

**Final Value**: $160,000

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Palos Verde Neighborhood Proposed Student Housing Development