


SEPTEMBER 21, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON SEPTEMBER 21, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE SURFACE, DEVELOPMENT, LEGAL, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON SEPTEMBER 21, 2009.

THESE MINUTES INCLUDE SURFACE ACTIONS AS LISTED ON PAGES 1 TO 12; DEVELOPMENT ACTIONS AS LISTED ON PAGES 12 TO 17; LEGAL ACTIONS AS LISTED ON PAGES 18 TO 19; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 19; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 20.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND MAY BE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, OCTOBER 5, 2009. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.


KSC KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION


LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 20346-09 (RENEWAL)

The following grazing permit has been renewed for a period of 15 years, beginning July 1, 2009, and expiring June 30, 2024.

<u>Permit #</u>	<u># Acres</u>	<u># AUMs</u>	<u>County</u>	<u>Fund</u>
GP 20346-09	5,152.50	310	Box Elder	School

Upon recommendation of Ms. Paula Lane, the Director approved the renewal of this permit. The permit administrator has had this legal description reviewed by the GIS Group.

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. RIP 365

APPLICANT'S NAME AND ADDRESS:

Utah Division of Forestry, Fire & State Lands
1780 N. Research Parkway
Logan, UT 84341

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T13N, R7W, SLB&M
Section 20: Lots 1-3, NE4NW4, W2E2, SE4SE4SE4 (Within)

COUNTY: Box Elder FUND: School

The permit administrator has had this legal description reviewed by the GIS Group.

REQUESTED/PROPOSED ACTION:

The applicant has requested permission to construct 2.3 miles of greenstrips along roads and ridges within the described section of land. Each greenstrip will be constructed using graders and dozers to make the strips approximately 150 feet wide whenever possible. The herbicide Plateau will be applied to inhibit the growth of cheatgrass, and the project will be seeded with forage kochia and other fire resistant species.

RELEVANT FACTUAL BACKGROUND:

The applicant submitted a proposal for this range improvement project on May 28, 2009. The applicant has submitted notice of this project to the Resource Development Coordinating Committee ("RDCC") and received notice from the Division of Air Quality that R307-205-5 needed to be complied with during construction of the project.

The Agency Archaeology staff has surveyed the project area and found no historic properties.

RANGE IMPROVEMENT PROJECT NO. RIP 365 (CONTINUED)

A search of Agency records was made to determine the status of the area involved. The grazing permit of record is GP 22134-08 (Holmgren Land & Livestock). The permittee is in support of the project. There are two telecommunication leases, SULA 1381 and 1280, and an easement, ESMT 1166, within the project area. The project is designed to lessen the threat of fire to these leases and easement. There is one right-of-way, ROW 1962, within the area, which should not be impacted. The project on trust lands is part of a much larger project being done to reduce fire size on the Hansel Mountain Range.

Project cost on trust lands is valued at \$16,730.00. Because the applicant is not the permittee of record, the project will not be eligible for amortization. Note: The life of the project (the benefit) is 10 years.

EVALUATION OF THE FACTS:

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the grazing resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 365. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. RIP 366**APPLICANT'S NAME AND ADDRESS:**

Division of Wildlife Resources
1594 W. North Temple
Salt Lake City, UT 84116

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:**T16S, R22E, SLB&M**

Section 1: S2 (WITHIN)
Section 2: S2SE4 (WITHIN)
Section 3: SW4SW4 (WITHIN)
Section 4: S2 (WITHIN)
Section 5: S2, NW4 (WITHIN)
Section 6: LOTS 1 – 3, S2NE4, N2SE4, SE4SE4, NE4SW4 (WITHIN)
Section 7: NE4NE4 (WITHIN)
Section 8: N2 (WITHIN)
Section 9: N2, SE4, E2SW4 (WITHIN)
Section 10: SW4, SW4NW4 (WITHIN)
Section 11: N2NE4 (WITHIN)
Section 12: N2, SE4, E2SW4 (WITHIN)
Section 13: NE4, N2N2SE4, NE4NW4 (WITHIN)
Section 15: N2NW4 (WITHIN)
Section 16: NW4NE4 (WITHIN)

T16S, R23E, SLB&M

Section 7: W2 OF LOT 1, W2 OF LOT 2, LOTS 3 & 4, W2SE4SW4 (WITHIN)
Section 18: LOTS 1 & 2, E2NW4, N2 OF LOT 3 (WITHIN)

COUNTY: Grand

FUND: School

RANGE IMPROVEMENT PROJECT NO. RIP 366 (CONTINUED)

The permit administrator has had this legal description reviewed by the GIS Group.

REQUESTED/PROPOSED ACTION:

The applicant proposes to lop and scatter approximately 2,115 acres of pinyon and juniper which has encroached into various sagebrush openings. Cutting and scattering will all be done by hand. No vehicles will be used. No ground disturbance is anticipated. Slash will be lopped to less than 3 feet in height.

RELEVANT FACTUAL BACKGROUND:

The applicant submitted a proposal for this range improvement project on July 20, 2009.

The applicant has submitted notice of this project to the Resource Development Coordinating Committee ("RDCC") and received no comments regarding this proposal.

The Agency Archaeology staff has reviewed this project and determined that no survey is required.

A search of Agency records was made to determine the status of the area involved. The grazing permits on record are GP 22541-07 (the applicant) and GP 21202-00 (Burt DeLambert). Both permittees are in support of the project. There are 10 mineral leases, ML's 46111, 47563, 21913, 27428, 46113, 47564, 47565, 47566, 47573, and 51394, within the project area. There is one right-of-way, ROW 1723, within the area, which should not be impacted.

Following is a flat rate amortization schedule (NRCS Schedule) for this project if Trust Lands Administration cancels the grazing permit before these projects are fully amortized. If the permittee sells or allows the permit to expire or to be canceled due to their own failure, then the amortization schedule will be canceled. Project cost on trust lands is valued at \$63,950.00. However, only 50% of this project is within the applicant's permit, thus only 50% is being amortized. Note: The life of the project (the benefit) is 15 years.

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Fully Amortized Year
Fence construction	\$31,975	15 years	2009	\$2,131.67/year	2024

EVALUATION OF THE FACTS:

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the grazing resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 366. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. RIP 367

APPLICANT'S NAME AND ADDRESS:

Allen Raymond Tanner, LLC
1514 W. Foliage
South Jordan, UT 84095

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T12N, R19W, SLB&M
Section 21: S½ of Lot 4 (Within)
Section 28: Lot 1, SE¼NW¼, S½S½NE¼ (Within)

The permit administrator has had this legal description reviewed by the GIS Group.

COUNTY: Box Elder FUND: School

REQUESTED/PROPOSED ACTION:

The applicant has requested permission to redevelop an un-named spring and install a trough at 0.5 and 1.2 miles from the spring head. The water will be placed into a 1½ inch pipe which will be ripped into the ground.

RELEVANT FACTUAL BACKGROUND:

The applicant submitted a proposal for this range improvement project on August 17, 2009. The applicant has been in discussion with Trust Lands Administration staff regarding this project since fall 2007.

The Utah Department of Agriculture, Grazing Improvement Program ("GIP") submitted notice of this project to the Resource Development Coordinating Committee ("RDCC"). One comment from the Division of Air Quality was received stating that R307-205-5 needed to be complied with during construction of the project.

The Agency Archaeology staff surveyed the project area and found one site which will be avoided.

A search of Agency records was made to determine the status of the area involved. The grazing permit of record, GP 22577, is the applicant. One other range improvement project, RIP 306, has been done in this area. This proposal will compliment RIP 306.

Following is a flat rate amortization schedule (NRCS Schedule) for this project if the Agency cancels the grazing permit before these projects are fully amortized. If the permittee sells or allows the permit to expire or to be canceled due to his own failure, then the amortization schedule will be canceled. Project cost on trust lands is valued at \$28,000. The applicant will be granted \$19,500.00 by "GIP" and the Agency is contributing \$1,500.00 from the Grazing 10% monies. The remaining \$7,000.00 will be eligible for amortization. Note: The life of the project (the benefit) is 20 years.

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Year Fully Amortized
Installation of Pipe	\$7,000	20 years	2009	\$350/year	2029

EVALUATION OF THE FACTS:

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the grazing resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 367. This summary will constitute the Record of Decision.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5360

On September 3, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Youth Garden Project, 530 South 400 East, Moab, UT 84532, to conduct a pumpkin tossing event on the following described trust land located within San Juan County:

T27S, R22E, SLB&M

Sec. 1: Within

The event will take place on October 31, 2009.

The time period for this right of entry is October 24, 2009, through November 13, 2009. The Youth Garden Project will clean the site after the event takes place. The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund. Expiration date: November 13, 2009.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

RIGHT OF ENTRY NO. 5377

On September 10, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Youth Garden Project, 530 South 400 East, Moab, UT 84532, to occupy the following described trust land located within San Juan County to conduct a 5K race:

T27S, R22E, SLB&M

Sec. 1: Within

The race will take place on November 1, 2009.

Since this is a non-commercial fund-raising event for a non-profit organization, the fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund. Expiration date: November 2, 2009.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

RIGHT OF ENTRY NO. 5380

On September 8, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of International Adventure Tours, Inc., 420 Kane Springs Blvd., Moab, UT 84532, to occupy the following described trust land located within Grand and San Juan Counties for commercial photography:

T29S, R23E, SLB&M

Sec. 16: Within

T25S, R22E, SLB&M

Sec. 32: Within

The fee for this right of entry is \$400.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$500.00. Grand and San Juan Counties. School Fund. Expiration date: September 28, 2009.

This item was submitted by Ms. Jeanine Kleinke for record-keeping purposes.

RIGHT OF ENTRY NO. 5204 (RELEASE OF BOND)

Right of Entry No. 5204 was approved on the Director's Agenda of September 15, 2008, in the name of CGG Veritas, 410 17th Street, Ste 1140, Denver, CO 80202. The term of the right of entry was one year, beginning September 15, 2008, and expiring September 14, 2009. The permittee provided Corporate Surety Bond No. B004659, in the amount of \$5,000.00, for this permit. The term of the right of entry has expired, and the permittee has requested release of this bond. Staff has inspected the site and determined that no damage to the area has occurred; therefore, release of the bond is warranted. County: Rich. Funds: SM, SCH, RES, SCH, DEAF, and RES.

Upon recommendation of Mr. Gary Bagley, the Director approved the release of Bond No. B004659 for ROE 5204.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1642 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Citadel Broadcasting Company
434 Bearcat Drive
Salt Lake City, UT, 84115

TYPE: Telecommunication
TERM: Twenty (20) Years
BEGINNING DATE: September 1, 2009
ENDING DATE: August 31, 2029
DUE DATE: September 1
NEXT REVIEW DATE: September 1, 2014
FUND: School
COUNTY: Utah
SITE NAME: Utah Lake
ACRES: 0.59 acres (site only)

Application Fee:	\$ 250.00
Processing Charge:	700.00
First Years Rental:	<u>31,000.00</u>
Total Submitted:	\$31,950.00

SPECIAL USE LEASE AGREEMENT NO. 1642 (APPROVAL) (CONTINUED)**LEGAL DESCRIPTION:**

Township 6 South, Range 1 West, SLB&M

Section 22: NW $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

A parcel of land located within the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 6 South, Range 1 West, SLB&M, Utah County, said parcel being more particularly described as follows:

Beginning at a point located N 39°39'53" W 3252.56 feet more or less from the southeast corner of Section 22, T6S, R1W, SLB&M, said point also being the Point of Beginning and being located at UTM Zone 12, NAD 83 datum coordinates of 420,323.44 East and 4,459,544.10 North, thence running N 02°43'26" E 159.21 feet more or less to a point located on the north line of said Section 22; thence running east along said north line a distance of 152.39 feet; thence S 49°33'00" E 74.25 feet; thence S 31°49'03" W 82.61 feet; thence S 76°04'08" W 76.82 feet; thence S 78°09'42" W 100.37 feet more or less to the Point of Beginning. Said parcel of land contains 0.59 acres more or less. The site is also depicted on a map labeled Exhibit "A" attached to the proposed lease agreement.

Together with non-exclusive access across that portion of the existing unimproved roads located upon lands administered by LESSOR within the E2SW4 and the W2SE4 of Section 22, Township 6 South, Range 1 West, SLB&M, and within the W2NE4 and the W2SE4 of Section 27, Township 6 South, Range 1 West, SLB&M. The location of such access roads may be modified at LESSOR's discretion. Any improvements or maintenance to be performed on such roads shall be made only after obtaining written permission from LESSOR and shall be at no cost to LESSOR. LESSOR does not represent or warrant that access on the two primary access roads (Israel Canyon Road and Mercer Canyon Road) across federal and private land, to the extent it may be required, is available. LESSOR does not covenant to obtain such access for LESSEE.

Also, together with access to the existing electric power and telephone communication currently providing service to the subject property.

This legal description was prepared by the SITLA GIS staff in 2008 using GPS coordinates (NAD 983 UTM Zone 12N) derived by the Lessor. The Coordinate and distance calls recorded within this legal description are approximate and are for reference use only. This is not to be used in place of a legal land survey. The Utah School and Institutional Trust Lands Administration ("SITLA") IT/GIS Department assumes no responsibility for errors or omissions in these materials. SITLA hereby disclaims any and all liability due to the use or misuse of this description. The user assumes total responsibility for verification and use.

The lease administrator has had this legal description reviewed by the GIS Group.

PROPOSED ACTION:

Issue a twenty-year telecommunication special use lease for a communications site for one FM radio broadcast tower site.

RELEVANT FACTUAL BACKGROUND:

The applicant has applied for a telecommunications special use lease. The proposal is to continue to operate one existing FM radio broadcast tower site. The facility includes one guyed tower as identified in the proposed lease and one radio equipment shelter building, along with related guys, antennas, receivers, radio equipment, a backup generator and fuel tank, and other related equipment required to operate and maintain the facility. This is the same existing tower and building that was previously authorized under Special Use Lease Agreement No. 1034, which was canceled for non-payment. The above-referenced legal description has been slightly modified from the original description, reducing the site acreage, but still adequately covering the site.

SPECIAL USE LEASE AGREEMENT NO. 1642 (APPROVAL) (CONTINUED)

Other secondary telecommunication uses may be allowed as will be provided for in the new lease agreement, requiring prior written approval and the payment of additional rentals. Subleasing provisions, sublease rental amounts, and future increases are also described in detail in the newly proposed lease agreement. There are currently three sublessees being included in the proposed lease agreement.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Staff is recommending an amount of \$31,000.00 per year as the beginning annual base lease rental for the first three-year period, as to be provided for in the newly proposed lease agreement. Effective September 1, 2012, the annual base rental shall increase to \$36,000.00 per year. The applicant has already agreed to the terms of the new lease, subject to approval of this action and the new lease agreement by the Director. Pursuant to R850-30-400, a review of comparable lease rates was conducted. The beginning annual base rental for a communication site of this type located along the Wasatch Front in the northern Utah County area is consistent with market value. Any other use is subject to prior written approval and additional rents as to be described in the new lease agreement.

The difference in the fair market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant. The revenue from the proposed use is far greater than any other return from the basic raw land value of the parcel. It is nearly certain that the return per acre for the parcel as a communication site will always significantly exceed the fair market value rental of the subject property for other surface uses. The current estimated raw land value of the remote subject parcel ranges from about \$4,000.00 to \$6,000.00 per acre. The initial per acre revenue from the communication site lease shall be significantly higher than a lease rental on raw land only. It is extremely unlikely that any other use would ever exceed the projected communication site revenues per acre returned for the site during the twenty year lease period. The only exception may be mineral related; however, the probability that a mineral related extraction site would be developed in this area and especially on this site is extremely unlikely. This has been reviewed internally with various Trust Lands' staff. The proposed new lease is considered the highest and best use of this small portion of property and, as far as can be determined, shall not adversely affect the remainder of the trust lands.

This proposal is exempt from review by the Resource Development Coordinating Committee ("RDCC") and associated entities because it already exists and no change is planned. This proposal is not considered an undertaking for cultural resource purposes.

The lease term of 20 years is consistent with the normal maximum term for telecommunication site leases, as provided for in R850-30-200(3)(d).

The applicant is a registered Nevada Corporation, and is licensed to do business in Utah. The lease provides for bonding and insurance, and both have been provided by the applicant.

This action is not considered substantive and does not warrant the time and expense necessary to complete a full narrative Record of Decision. Therefore, this summary will constitute the Record of Decision.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1642 with a beginning annual base rental of \$31,000.00, which shall increase to \$36,000.00 annually, effective September 1, 2012, as set forth in the proposed lease agreement. Future subleasing shall require prior written approval and additional rentals as set forth in the new lease, which is for a twenty (20) year term, with a commencement date of September 1, 2009, and an expiration date of August 31, 2029. The lease has a three-year review clause, with the first review effective September 1, 2014. Thereafter, the rent shall be increased every three years subject to the terms of the proposed lease agreement.

SPECIAL USE LEASE AGREEMENT 513 (FIVE-YEAR REVIEW)

SULA No. 513 is leased to Tercero Corporation, c/o Steve Dalton, Box 68, Teasdale, UT 84773. This is an agricultural lease for an alfalfa field in Garfield County. School Fund.

1. **ANNUAL RENTAL:**

The five-year review date for this lease is January 1, 2010. The subject property is used for an alfalfa field. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$1,930.00 per year to \$2,180.00 per year, effective January 1, 2010. A certified notice was sent to the lessee informing him of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$2,180.00

Acres in lease: 40.00 acres

\$54.50 per acre

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Neither insurance coverage nor a bond is presently required by the lease agreement.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no Agency-owned water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **GIS REVIEW:**

The lease administrator has had this legal description reviewed by the GIS Group.

8. **NEXT ASSESSMENT DATE:**

The next assessment date will be on January 1, 2015.

Upon recommendation of Mr. Ron Torgerson, the Director approved the five-year review for SULA 513.

SPECIAL USE LEASE AGREEMENT 645 (FIVE-YEAR REVIEW)

SULA No. 645 is leased to Moyle Farms, c/o Jack E. Moyle, Jr., P.O. Box 152, Enterprise, UT 84725. This is an agricultural lease for an alfalfa field in Iron County. School Fund.

1. **ANNUAL RENTAL:**

The five-year review date for this lease is January 1, 2010. The subject property is used for an alfalfa field. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$2,050.00 per year to \$2,310.00 per year, effective January 1, 2010. A certified notice was sent to the lessee informing him of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$2,310.00

Acres in lease: 160.00 acres

\$14.44 per acre

Farmable acres in lease: 125 acres

\$18.48 per farmable acre

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

Insurance coverage is not presently required by the lease agreement. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no Agency-owned water rights associated with this lease.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **GIS REVIEW:**

The lease administrator has had this legal description reviewed by the GIS Group.

8. **NEXT ASSESSMENT DATE:**

The next assessment date will be on January 1, 2015.

Upon recommendation of Mr. Ron Torgerson, the Director approved the five-year review for SULA 645.

SPECIAL USE LEASE AGREEMENT 1166 (THREE-YEAR REVIEW)

SULA No. 1166 is leased to Sandberg Ranch, Inc., 345 South 1100 West, Cedar City, UT 84720. This is an agricultural lease to protect an existing water right, a small reservoir for irrigation, pipeline, and reseeded pasture in Garfield County School Fund.

1. ANNUAL RENTAL:

The three-year review date for this lease is December 1, 2009. The subject property is used for an irrigation pond and reseeded pasture. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$610.00 per year to \$670.00 per year, effective December 1, 2009. A certified notice was sent to the lessee informing him of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$670.00

Acres in lease: 63.00 acres

\$10.63 per acre

2. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE INSURANCE AND BOND COVERAGE:

Insurance coverage has been provided by the lessee. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.

5. ESTABLISHMENT OF WATER RIGHTS:

There are no Agency-owned water rights associated with this lease.

6. POLLUTION AND SANITATION REGULATIONS:

The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. GIS REVIEW:

The lease administrator has had this legal description reviewed by the GIS Group.

8. NEXT ASSESSMENT DATE:

The next assessment date will be on December 1, 2012.

Upon recommendation of Mr. Ron Torgerson, the Director approved the three-year review for SULA 1166.

SPECIAL USE LEASE AGREEMENT NO. 1648 (CORRECTION)

Special Use Lease Agreement No. 1648 was approved on the Director's Agenda of September 8, 2009, in the name of Kerr-McGee Oil & Gas Onshore LP, P.O. Box 173779, Denver, CO 80217-3779. The legal description on this agenda item contained a typographical error.

The legal description was shown as:

Township 10 South, Range 22 East, SLB&M
Section 11: NE $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

The correct legal description should be:

Township 10 South, Range 22 East, SLB&M
Section 11: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

Uintah County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director approved the correction to the agenda item for SULA 1648.

DEVELOPMENT ACTIONS

PREDESIGNATION NO. 758 (PUBLIC ACCESS CLOSURE)

The following finding was made pursuant to Utah Code 53C-1-302 and 53C-2-105, which grants the Director broad authority to manage trust lands in a manner which is in the best interest of the Beneficiaries.

The Director finds that the following closure is in the best interest of the Beneficiaries:

Project: Green Springs / Buena Vista Road construction area, Washington County, Utah

Description: The following described tract of trust land is designated as closed to Public Access. The closed area is more specifically identified by fencing and signage on the property.

Township 42 South, Range 15 West, SLB&M

Section 12: (North of I-15) - 240 acres
Section 11: NE4SE4 - 40 acres

This closure is determined to be in the best interest of the Trust Beneficiaries for the following reason:

Intensive and large scale construction and grading will take place in the area, involving the presence of large earth moving equipment, trucks, and other large machinery. The movement of heavy equipment as well as the unexpected changes in terrain that result from the planned activities pose an unacceptable risk to the public as well as liability for the Trust.

Upon recommendation of Kyle Pasley, the Director approved Predesignation No. 758.

DEVELOPMENT EXCHANGE 340 - TICABOO

A PATENT HAS BEEN ISSUED PURSUANT TO THE DEVELOPMENT AGREEMENT NO. 2 WITH URANIUM ONE UTAH, INC.

EXCHANGE NO.: 340
 PATENT NO.: 20150
 PATENT DATE: September 4, 2009
 PROJECT: Ticaboo
 PROJECT MANAGER: Alexa Wilson
 PROJECT CODE: TCABO 000 00
 FUND: School

PATENT ISSUED TO:

GARFIELD COUNTY TICABOO SPECIAL SERVICE DISTRICT NO. 1
 P.O. Box 2111
 Ticaboo, Utah 84533

DESCRIPTION OF TRANSACTION:

This patent conveys two parcels of land to the Special Service District for the operation of a water tank and a well ancillary infrastructure to serve the currently existing and future development of Ticaboo. The patent has been issued at the request of Uranium One Utah, Inc. and granted by the Trust Lands Administration without additional consideration pursuant to Paragraph 4.3 (b) of Development Lease No. 2 between Trust Lands Administration and Uranium One Utah Inc., as amended and restated on September 1, 2008.

LEGAL DESCRIPTION:

Township 36 South, Range 11 East, SLB&M
 Section 16: Within

Tank Parcel

Commencing at the North Quarter Corner of Section 16, Township 36 South, Range 11 East, Salt Lake Base and Meridian, Thence North 89°29'54" East, along the North Section Line, 1006.65 feet, to the POINT OF BEGINNING; Thence North 89°29'54" East, 620.25 feet; Thence South 04°51'43" West 59.87 feet; Thence South 42°47'08" East 123.08 feet; Thence North 89°30'52" East 342.48 feet; Thence South 00°30'25" East 378.89 feet; Thence South 88°59'15" West 276.08 feet; Thence North 42°59'56" West 448.27 feet; Thence South 89°41'52" West 461.10 feet; Thence North 00°29'36" West 199.98 feet; to the POINT OF BEGINNING.

Containing 6.66 acres, more or less.

Well Parcel

Beginning at a point located North 1726.47 feet and West 2030.25 feet from the Southeast corner of Section 16, Township 36 South, Range 11 East, Salt Lake Base and Meridian, also being the South edge of Ticaboo Drive Right of Way Boundary; Thence around a 527.36 foot radius curve to the left, 79.66 feet; (Chord bears S60°50'03"E 79.59 feet); Thence S00°00'00"W 53.91 feet; Thence N83°07'43"W 70.00 feet; Thence N00°00'00"W 84.32 feet to the point of beginning.

Containing 0.108 acres, more or less.

Total area: 6.768 acres, more or less.

The project manager has had this legal description reviewed by the GIS Group.

DEVELOPMENT EXCHANGE 340 - TICABOO (CONTINUED)

NUMBER OF ACRES BY COUNTY: 6.768 acres - Garfield County

NUMBER OF ACRES BY FUND: 6.768 acres - School

LIST MINERAL RESERVATIONS:

Excepting and reserving to the State of Utah all coal, oil and gas and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposit.

LIST SURFACE RESERVATIONS:

Excepting and reserving to the State of Utah all interest in Water Right No. 97-1062, with a point of diversion and place of use in Garfield County, State of Utah; also

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception in existence of this date, subject to exceptions and reservations contained in federal patents and clear lists, and subject also to all rights of way for ditches, tunnels, and telephone transmission lines that have been or may be constructed by the United States as provided by statute.

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

This item was submitted by Alexa Wilson for record-keeping purposes.

DEVELOPMENT RIGHT OF ENTRY AGREEMENT (ROE 5366) – BLOOMINGTON IRRIGATION TANK STAGING AREA

THE FOLLOWING ROE WILL BE FURTHER EXECUTED UPON THE APPROVAL OF THESE DIRECTOR'S MINUTES:

PROJECT: South Block – Mile Post 2
PROJECT MANAGER: Kyle Pasley
PROJECT CODE: SOBLK 001 00
FUND: School
TERM: 18 months from commencement date
FEE WAIVED: \$350.00

PERMITEE:

BLOOMINGTON WATER COMPANY, INC.
144 W Brigham Road, Suite D1
St. George, Utah 84790

DESCRIPTION OF TRANSACTION:

Right of Entry ("ROE") 5366 was granted to Bloomington Water Company Inc., (permittee) for the purpose of providing access and a staging area for the construction of an open air irrigation water tank. The permittee shall pay for its own costs and expenses in constructing the open air irrigation water tank. The term of this right of entry is for eighteen (18) months from the date of commencement.

LEGAL DESCRIPTION:

Township 43 South, Range 16 West, SLB&M
Section 24: SE4NW4 (Within):

DEVELOPMENT RIGHT OF ENTRY AGREEMENT (ROE 5366) – BLOOMINGTON IRRIGATION TANK STAGING AREA (CONTINUED)

Commencing at the North Quarter Corner of Section 24, Township 43 South, Range 16 West, Salt Lake Base and Meridian; Thence North 88°50'30" West, along the Section line, a distance of 357.24 feet; Thence South, a distance of 1,621.18 feet to the Point of Beginning; Thence South 50°58'18" East, a distance of 20.27 feet; Thence South 33°30'00" West, a distance of 48.35 feet; Thence South 17°27'14" West, a distance of 40.48 feet; Thence South 33°13'41" West, a distance of 316.07 feet; Thence South 44°11'38" West, a distance of 32.62 feet; Thence South 69°56'29" West, a distance of 28.47 feet; Thence North 89°34'57" West, a distance of 49.30 feet; Thence North 85°25'18" West, a distance of 52.22 feet; Thence North 34°35'25" West, a distance of 251.15 feet; Thence North 59°27'40" East, a distance of 54.02 feet to the beginning of a non-tangent curve to the right, of which the radius point lies South 28°55'41" East, a radial distance of 67.04 feet; Thence easterly along the arc of said curve, through a central angle of 40°39'52", a distance of 47.58 feet to the beginning of a non-tangent curve to the left, of which the radius point lies North 09°48'45" East, a radial distance of 115.07 feet; Thence easterly along the arc of said curve, through a central angle of 41°32'12", a distance of 83.42 feet; Thence North 61°50'36" East, a distance of 55.74 feet to the beginning of a non-tangent curve to the right, of which the radius point lies South 24°20'44" East, a radial distance of 119.97 feet; Thence easterly along the arc of said curve, through a central angle of 36°54'53", a distance of 77.29 feet to the beginning of a non-tangent curve to the left, of which the radius point lies North 10°32'05" East, a radial distance of 124.87 feet; Thence easterly along the arc of said curve, through a central angle of 22°52'12", a distance of 49.84 feet; Thence North 73°20'07" East, a distance of 38.97 feet to the beginning of a non-tangent curve to the left, of which the radius point lies North 21°11'35" West, a radial distance of 232.69 feet; Thence northeasterly along the arc of said curve, through a central angle of 33°21'18", a distance of 135.46 feet to the Point of Beginning.

Containing: 2.00 acres, more or less.

The project manager has had this legal description reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 2.0 acres - Washington County

NUMBER OF ACRES BY FUND: 2.0 acres - School

Upon recommendation of Ms. Andrea L. James, the Director accepted and granted ROE 5366.

CORRECTION - DEVELOPMENT EASEMENT NO. 1475 - EAGLE MOUNTAIN WATER LINE

THE FOLLOWING EASEMENT WAS REPORTED IN THE DIRECTOR'S MINUTES OF SEPTEMBER 8, 2009, PAGES 21 THROUGH 22. THE **ACREAGE** OF THE FIRST LISTED PARCEL WAS REPORTED INCORRECTLY DUE TO A TYPO IN THE LEGAL DESCRIPTION, THUS THE **TOTAL ACREAGE, NUMBER OF ACRES BY COUNTY, AND THE NUMBER OF ACRES BY FUND** WERE ALSO REPORTED INCORRECTLY AND HAVE BEEN CORRECTED AS SHOWN IN BOLD BELOW.

EASEMENT NO.: 1475
 PROJECT: Hidden Valley - Eagle Mountain
 PROJECT CODE: LKMTN 002 00
 PROJECT MANAGER: Elise Erler
 COUNTY: Utah
 FUND: School
 TERM: Perpetual

GRANTEE:

EAGLE MOUNTAIN CITY
 1650 E. Stagecoach Run
 Eagle Mountain, UT 84005

DESCRIPTION OF TRANSACTION:

The Trust Lands Administration (the "Trust") granted a perpetual easement (the "Easement") to Eagle Mountain City (the "City") for the construction, operation, repair, and maintenance of a sixteen-inch water line (the "Water Line") and a dirt service trail. The Water Line will connect with the two million gallon water tank (the "Water Tank"), which the City shall construct on the property described in Certificate of Sale No. 24684. The Easement was granted to the City pursuant to that certain Certificate of Sale and Water System Agreement No. 24684, under which the Trust agreed to grant an easement for the Water Line and to convey a 1.193-acre parcel of property to the City for the Water Tank in return for certain actions by the City. Those actions include the City's upsizing of the Water Tank to a two million gallon capacity from one million gallons, the burial of the Water Tank when it was originally planned as above-ground, the placement of the Water Tank at an orientation and higher elevation than originally planned, and the relocation and extension of the Water Line to better service trust lands in the area. These actions are taken at the Trust's request and will better accommodate the development and increase the value of the Trust's Hidden Valley property to a value that meets or exceeds any fees the Trust would charge for the issuance of this easement. Additional supporting documentation may be found in the Planning and Development file.

LEGAL DESCRIPTION:

Township 5 South, Range 1 West, SLB&M
 Section 29 & 32: Within

A twenty-foot (20') easement being ten (10) feet on each side of the following two (2) described centerlines:

Commencing at a point which lies South 89°58'09" West 40.77 feet along the North line of Section 32, Township 5 South, Range 1 West, Salt Lake Base and Meridian, and South 00°01'51" East 885.18 feet from the North Quarter Corner of said Section 32, to the Point of Beginning; and traversing thence South 01°50'36" West 83.70 feet; thence South 41°10'45" West 72.90 feet; thence South 34°27'29" West 130.45 feet; thence South 35°52'11" West 105.89 feet; thence South 49°47'46" West 58.02 feet; thence South 79°51'01" West 106.42 feet; thence South 74°08'09" West 61.11 feet; thence South 77°52'24" West 91.72 feet; thence South 64°52'20" West 48.23 feet; thence South 57°23'31" West 77.61 feet; thence South 48°36'22" West 182.67 feet; thence South 41°25'42" West 79.42 feet; thence South 56°20'30" West 66.84 feet; thence North 80°54'53" West 43.02 feet to a point on a non-tangent curve to the right, having a radius of 445.50 feet and a central angle of 20°40'32";

**CORRECTION - DEVELOPMENT EASEMENT NO. 1475 - EAGLE MOUNTAIN WATER LINE
(CONTINUED)**

thence along the arc of said curve a distance of 160.76 feet, said arc subtended by a chord bearing North 00°13'17" East, a distance of 159.89 feet; thence North 10°33'33" East 331.93 feet to a point on a curve to the left, having a radius of 554.50 feet and a central angle of 83°55'58"; thence along the arc of said curve a distance of 812.29 feet, said arc subtended by a chord bearing North 31°24'27" West, a distance of 741.58 feet; thence North 73°22'26" West 96.27 feet to the Westerly boundary line of the State of Utah School and Institutional Trust Lands Administration property and the point of terminus for this description. The side lines of said easement terminate at the boundary of the State of Utah School and Institutional Trust Lands Administration property. **Containing 1.197 acres** (52,184 square feet), more or less.

Also:

Commencing at a point which lies South 89°58'09" West 2,038.09 feet along the South line of Section 29, Township 5 South, Range 1 West, Salt Lake Base and Meridian, from the South Quarter Corner of said Section 29, said point also lies on the Northerly boundary line of the Kirkland Family Investments Property and the Southerly boundary line of the Utah Trust Lands Administration property, said point also lies on a curve to the left, having a radius of 1054.50 feet and a central angle of 11°11'49"; thence along the arc of said curve a distance of 206.07 feet, said arc subtended by a chord bearing North 56°29'30" West, a distance of 205.74 feet; thence North 62°05'24" West 344.67 feet to the Westerly boundary line of said State of Utah School and Institutional Trust Lands Administration property and the point of terminus for this description. The side lines of said easement terminate at the boundary of the State of Utah School and Institutional Trust Lands Administration property. Containing or 0.250 acres (10,931 square feet), more or less.

The project manager has had this legal description reviewed by the GIS Group.

CONTAINING A TOTAL OF 1.45 ACRES, MORE OR LESS.

NUMBER OF ACRES BY COUNTY: 1.45 acres - Utah County

NUMBER OF ACRES BY FUND: 1.45 acres - School

Upon recommendation of Andrea L. James, the Director approved the above correction.

LEGAL ACTIONS

EXCHANGE NO. 341 (FUND EXCHANGE - MINERAL ESTATE ONLY – UNIV/SCH)

The Agency proposes a fund exchange between the School and University of Utah trusts for the mineral estates underlying certain parcels of land located in the Gordon Creek Block. The School Fund minerals underlie a portion of a larger parcel of University surface lands in Gordon Creek, which the Agency, on behalf of the University, plans to exchange with the Division of Wildlife Resources (“DWR”) for surface lands in the Range Creek area (“Range Creek Exchange”). With the proposed fund exchange, the Agency would exchange School minerals underlying a portion of the University surface included in the Range Creek Exchange for University minerals underlying nearby lands not included in the Range Creek Exchange. The fund exchange will prevent a scenario whereby School minerals underlie surface lands that will eventually be owned by DWR, a situation the School Beneficiaries wish to avoid. The University Beneficiaries support the mineral fund exchange because it will ensure that their Range Creek Exchange with DWR proceeds smoothly. The Range Creek Exchange offers a tremendous benefit to the University because the University Beneficiaries will be able to conduct significant archaeological research in Range Creek.

MINERAL ESTATES SUBJECT TO EXCHANGE

The School minerals involved in the exchange are 240 acres in size and are subject to Oil Gas and Hydrocarbon Lease ML 46539. The University minerals involved in the exchange are also 240 acres in size and are subject to Oil Gas and Hydrocarbon Lease ML 48000. ML 48000 is currently producing gas from the State 34-493 Well located in the NW¼NW¼ of Section 34, Township 14 South, Range 8 East, SLB&M. The well is located within the Drunkards Wash Unit. In 2009, this well is averaging 343/MCF of gas per month and the Agency anticipates that it will decline in production. This well will be transferred from the University Fund to the School Fund as part of this fund exchange. This transfer will result in a miniscule increase in net revenue interest in the Drunkards Wash Unit for the School Fund and an equivalent miniscule decrease in net revenue interest in the Drunkards Wash Unit for the University Fund.

The other mineral interests underlying the lands subject to this fund exchange are not leased and have been equivalently-valued by the Agency.

The legal descriptions of the **School** minerals to be transferred to the University are as follows:

<u>ML 46539</u>	<u>Township 14 South, Range 8 East, SLB&M.</u> Section 29: SW¼, N½SE¼	240.00 acres
	Total School acres: 240.00 Carbon County	

The legal descriptions of the **University** minerals to be transferred to Schools are as follows:

<u>ML 48000</u>	<u>Township 14 South, Range 8 East, SLB&M.</u> Section 27: W½NW¼ Section 34: NW¼	240.00 acres
	Total University acres: 240.00 Carbon County	

EXCHANGE NO. 341 (FUND EXCHANGE - MINERAL ESTATE ONLY – UNIV/SCH) (CONTINUED)

The foregoing legal descriptions have been reviewed by the Agency’s GIS Group.

Although the University would be exchanging producing minerals for non-producing minerals, the Agency has concluded that this fund exchange is in the best interest of all Beneficiaries. The Agency’s minerals and hard rock groups have determined that the value of the entire underlying mineral estates is equal at this time. The production from the well is minimal and is not likely to represent a significant long-term benefit to the University Fund. By exchanging the School minerals, the University ensures that its primary goal, the acquisition of the Range Creek property, will proceed smoothly.

Upon recommendation of Mr. John W. Andrews, the Director approved the above-described fund exchange, wherein the fund designation of the mineral estate of the above described parcels of land currently held in trust for the University of Utah will be changed to Schools, and the fund designation of the mineral estate of the above-described parcel of land currently held in trust for the Schools will be changed to University.

ACTIONS CONTAINING FEE WAIVERS

GRAZING PERMIT NO. 21727-01 (AMENDMENT - REDUCTION OF AUMS, AND WAIVER OF AMENDMENT FEE)

Grazing Permit No. 21727-01 is in the name of Pete Stamatakis, 1111 South 450 West, Price, UT 84501. The Agency's Surface staff has evaluated the carrying capacity of the lands within this permit and has determined that it is significantly overstocked. Grazing Permit No. 21727-01 will be reduced from 287 AUMs to 180 AUMs. The permit will be re-evaluated in 2012 to determine if the AUMs need to be adjusted back or if the reduction is permanent.

GP 21727-01 will now contain 180 AUMs. Because this change was initiated by the Trust Lands Administration for management purposes, the \$50.00 amendment fee will be waived. Carbon County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the reduction of AUMs for GP 21727-01 and the waiver of the \$50.00 amendment fee.

TRUST ACCOUNTING ACTIONS

CANCELED CERTIFICATES OF SALE

The following certificates of sale were not paid on or before the cancellation date of 7/9/2009. Certified notices were mailed.

<u>CERT #</u>	<u>NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
C 26324	BC-UT, LLC	SCH	GARF	SURF
C 26325	BC-UT, LLC	SCH	GARF	SURF
C 26326	BC-UT, LLC	SCH	GARF	SURF
C 26478	Cross, Jerry	SCH	GARF	SURF

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed certificates of sale for non-payment.

PAID CERTIFICATES OF SALE

<u>CERT #</u>	<u>NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
C 24588	Garfield County	SCH	GARF	SURF
DC 25471	The Nature Conservancy	SCH	GRAND	SURF

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	3.25%
ONE YEAR AGO:	5.00%