

Cedar City, Iron County, Utah

April 21, 2022

The Central Iron County Water Conservancy District (the "District") of Iron County, Utah (the "Issuer"), met in its regularly scheduled District Board of Directors meeting at the regular meeting place of the District in Cedar City, Utah, on April 21, 2022, at the hour of 6:30 p.m., with the following members of the District being present:

Tyler Allred	District member
Tyler Melling	District member
Terri Hartley	District member
David Harris	District member

Also present:

Paul Monroe	District Manager
Mandi Williams	District Office Manager
Justin W. Wayment	District Attorney

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the District Office Manager presented to the District a Certificate of Compliance with Open Meeting Law with respect to this April 21, 2022, meeting, a copy of which is attached hereto as Exhibit A.

The Board of Equalization consisting of three members of the District's governing body, (the "Board") for the Chekshani Cliffs Subdivision Assessment Area (the "Assessment Area") presented to the District's board its report and stated that it had reviewed statements, comments and complaints on each property in the Assessment area as listed in the minutes of the hearings of the Board held, on consecutive days, March 9, 10, and 11, 2022 at the hour of 12:00 p.m. to 1:00 p.m, and continuing thereafter until completed.

The following Findings, Recommendations, and Decisions were then presented to the District's Board of Directors by the Board:

REPORTED FINDINGS

It is the finding of the Board that each assessed property within the Assessment Area will be assessed in a manner that meets the requirements of §11-42-409 of the Assessment Area Act, Utah Code Annotated 1953, as amended (the "Act"). Furthermore, no parcel of property listed in the assessment list, will bear more than its equitable

portion of the actual costs that are reasonable of the improvements, which include, but are not limited to, providing a new well, pump, transmission lines, and associated improvements to provide better quality water and a redundant source to the current water distribution system in the Assessment Area (the "Improvements"), in accordance with U.C.A. §11-42-409 of the Act.

BOARD'S RECOMMENDATION AND DECISION

It is the decision of the Board that the proposed assessment list be accepted by the District's Board of Directors as presented without any adjustments as being equitable and that the Improvements being financed thereby constitute a benefit to the properties to the assessed. The assessment list is approved without any modifications.

The District manager mailed within 10 days of the date hereof, at the property owner's mailing address, a copy of the Board's final report to each property owner who objected at the Board hearings to the proposed assessment to be levied against the owner's property. (See Exhibit "A").

The Board respectfully recommends that the District's Board of Directors approve and confirm the assessment list, without adjustment, and adopt a Resolution levying the assessment set out in the assessment list.

The following resolution was then introduced in written form, was fully discussed, the protest tally votes were presented and reviewed for correctness, and the statements, comments and complaints on each property in the Assessment Area as listed in the of the protest hearings of the Board held March 9th, 10th, and 11th, 2022, and addressed by the District on April 21, 2022, having been addressed, and the District Manager then noted that the District is now convened in the meeting for the purpose, among other things, of approving the proposed assessments to be levied within the Assessment Area and adopting an Assessment Resolution (the "Resolution") for the Assessment Area. The following Resolution was then introduced in writing, was fully discussed and pursuant to motion duly made by District Member Hartley and seconded by District Member Melling, was adopted by the following vote:

AYE: Allred, Hartley, Melling, Harris

NAY: none

The Resolution was then signed by the District Chair and recorded by the County Clerk in the official records of Iron County, Utah. The Resolution is as follows:

RESOLUTION NO. 2022-4-21-01

A RESOLUTION CONFIRMING THE EQUALIZED ASSESSMENT LIST AND LEVYING AN ASSESSMENT AGAINST CERTAIN PROPERTIES IN THE IRON COUNTY, UTAH CHEKSHANI CLIFFS SUBDIVISION ASSESSMENT AREA (THE "ASSESSMENT AREA"), FOR THE PURPOSE OF FINANCING CERTAIN IMPROVEMENTS IN THE ASSESSMENT AREA; ESTABLISHING THE EFFECTIVE DATE OF THE RESOLUTION; AND RELATED MATTERS.

BE IT RESOLVED BY THE CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT, AS FOLLOWS:

Section 1. Determination of Costs. All costs and expenses to finance the proposed improvements, which include, but are not limited to, providing a new well, transmission lines, and associated improvements to correct the current and improve the water and water distribution system in the Assessment Area (the "Improvements") within the Assessment Area, together with all related costs, have been determined.

Section 2. Approval of Assessment List; Findings. The Board of Directors for the Central Iron County Water Conservancy District (the "District") of Iron County, Utah, hereby accepts and adopts the Findings and Recommendation of the Board of Equalization, ("Board"). The District confirms and adopts the equalized and adjusted assessment lists for the Assessment Area, copies of which are attached hereto as Exhibit B and incorporated herein by reference (the "Assessment List"). The District Board has determined that the Assessment List, as adjusted and equalized, is just and equitable; that each assessed property within the Assessment Area will be assessed in a manner that meets the requirements of Section 11-42-409 of the Assessment Area Act, Utah Code Annotated 1953, as amended (the "Act"); and that no parcel of property listed in the assessment list will bear more than its equitable portion of the actual costs that are reasonable of the improvements.

Section 3. Levy of Assessments. The District hereby levies an assessment upon the real property identified in the Assessment List. The assessments levied upon each parcel of property therein described shall be in the amount set forth in the Assessment List.

The assessments hereby levied are to finance the Improvements.

The assessments are hereby levied and assessed upon each of the parcels of real property described in the Assessment List in accordance with the benefit received from the Improvements within the Assessment Area. The assessments are levied upon the parcels of land in the Assessment Area at equal and uniform rates.

Section 4. Cost of Improvements; Amount of Total Assessments. The total cost of the improvements is \$875,950.06. Of that total cost, the District will pay \$534,329.54 in project costs. The amount of the assessment to be levied against benefitted property as listed within the assessment area will be \$341,620.52. The District will assume 61%

of the cost while the assessment area will be responsible for 39%. This equates to \$534,329.54 as the District's financial responsibility and \$341,620.52 which will be paid by the lot owners listed in the assessment list for the assessed area. The District received a grant from the funding agency in the amount of \$150,000. This has been applied equally to each entity, reducing the District's payable amount to \$459,329.54 and the Assessment Area to \$266,620.52. There are 71 properties of various sizes which have been identified as lots, ("Lots") participating in the assessment area as previously proposed and accepted by the District, and each owner of a Lot will pay an equal portion. Dividing \$266,620.52 by 71 equates to a cost per lot total of \$3,755.22 which will be assessed against each Lot. The amount to be assessed against property affected or benefitted by the Improvements in the Assessment Area is \$3,755.22 and is detailed in Exhibit C.

These amounts do not exceed in the aggregate the sum of: (a) the total contract price or prices for the Improvements under contract has been duly let to the lowest and best responsible bidder therefore and a portion of the costs of installation, designing and inspection; (b) the reasonable cost of (i) utility services, maintenance, and operation to the extent permitted by the Act and (ii) labor, materials or equipment supplied by the District, if any; (c) the property price, if any; (d) connection fees, if any; (e) the interest on interim warrants issued against the Assessment Area, if any; and (f) overhead costs not to exceed fifteen percent (15%) of the sum of (a), (b), (c) and (d).

Section 5. Method and Rate. Each of the benefitted properties will be assessed within the Assessment Area on a per lot basis, with each lot being subject to an assessment of \$3,755.22 to be paid in full or financed at the interest rate of five (5%) percent per annum, simple interest.

Section 6. Payment of Assessments; Transfer of Property.

(a) Assessments shall be payable in full or in one hundred and twenty (120) monthly installments (the "Assessment Installment" or "Installments"). If payable in one hundred and twenty (120) monthly installments, each payment shall be payable on the 25th day of each month beginning May 25, 2022, and continuing each month thereafter until all Assessments have been paid in full. The District hereby determines that the Improvements have a useful life of not less than forty (40) years, that the Improvements have a reasonable useful life for the full period during which the Installments are to be paid, and that it is in the best interest of the District and the property owners within the Assessment Area that Installments be paid for more than ten (10) years.

(b) If any Installment is not paid by the due date, the unpaid Installment(s) will accumulate delinquent interest and/or charges in accordance with this Assessment Resolution and State law. Prior to any transfer, whether by purchase or foreclosure or otherwise, of property within the Assessment Area, the Assessment related to such property must be paid in full. No transfers of property will be allowed with any outstanding Assessment. If title to property within the Assessment Area is transferred without the payment in full of the Assessment, irrespective of property owner knowledge or intent with regard thereto, the District shall be entitled to commence foreclosure proceedings on such property within 30 days of providing notice of the same to the property owner. The

aggregate annual Assessment payments shall be in substantially equal amounts, subject, however, to adjustment as a result of prepayment of Assessments or an increase or decrease in overhead costs.

(c) Interest on the unpaid balance of the Assessment shall accrue at 5% Annual Percentage Rate (APR) over a 10-year term with 120 monthly payments of \$39.83 including principle and interest.

(d) The District will collect the Assessment by including the Assessment on the monthly billing utility statements by a separate line item, and the Assessment shall terminate upon payment in full.

(e) All unpaid installments of an assessment levied against any parcel of property may be paid prior to the dates on which they become due, and any such additional payment will go towards the principal of the Assessment but early payments shall not adjust the monthly payment until paid in full.

(f) There shall be no penalty for early payoff of the Assessment.

Section 7. Default in Payment. If a default occurs in the payment of any assessment installment when due, the District may pursuant to (a) declare the delinquent amount to be immediately due and subject to collection or (b) accelerate the payment of the total unpaid balance of the assessment and declare the whole of the unpaid principal and interest then due to be immediately due and payable. Additional interest shall accrue and be paid on all amounts declared to be delinquent or accelerated and immediately due and payable at the same rate as is applied to delinquent real property taxes for the year in which the assessment installment becomes delinquent (the "Delinquent Rate"). In addition to interest charges at the Delinquent Rate, costs of collection, including attorney's fees and court costs ("Collection Costs"), as determined by the District Manager or required by law, may be charged and paid on all amounts declared to be delinquent or accelerated and immediately due and payable. In lieu of accelerating the total assessment balance when one or more assessment installments become delinquent, the District may elect to bring an action to collect only the delinquent portion of the assessment plus interest at the Delinquent Rate and Collection Costs.

Upon default, the District Manager shall give notice in writing of the default to the owner of the property in default as shown by the last available equalized assessment rolls. Notice shall be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the owner as shown on the last equalized assessment rolls for the District or on the official ownership records of Iron County. The notice shall provide for a period of thirty (30) days in which the owner shall pay the installments then due and owing together with accrued interest at the regular rate plus costs as determined by the District Manager. If the District elects to use the enforcement remedy involving acceleration, the Notice shall also declare that after the thirty (30) day period the District shall accelerate the then unpaid balance of the principal of the assessment to be immediately due and payable together with the Collection Costs and interest on the entire

unpaid balance to accrue from the date of the delinquency to the Delinquent Rate. Thereafter, the District may commence foreclosure proceedings in the manner provided for actions to foreclose mortgage liens or trust deeds. If the District elects to utilize the trust deed enforcement remedy, the District Manager shall designate a trust deed trustee for purposes of the enforcement action. If at the sale no person or entity shall bid and pay the District the amount due on the assessment plus interest and costs, the property shall be deemed sold to the District for these amounts. The District shall be permitted to bid at the sale.

The remedies provided herein for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the District of the use of any other method or means. The amounts of accrued interest and all costs of collection shall be added to the amount of the assessment up to the date of foreclosure sale.

Section 8. Remedy of Default. If prior to the final date that payment may be legally made under a final sale or foreclosure of property to collect the delinquent assessment installments, the property owner pays the full amount of all unpaid installments that are past due and delinquent with interest at the Delinquent Rate, plus all approved or required costs, the assessment of said owner shall be restored so that the owner will have the right to make the payments in installments as if the default had not occurred.

Section 9. Lien of Assessment. An assessment or any part or installment of it, any interest accruing, and the penalties and costs of collection shall constitute a lien against the property upon which the assessment is levied on the effective date of this Resolution. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, shall be equal to and on a parity with the lien for general property taxes, and shall apply without interruption, change of priority, or alteration in any manner to any reduced payment obligations. The lien shall continue until the assessment, reduced payment obligations, and any interest, penalties, and costs on it are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, or other assessment, the issuance of a tax deed, an assignment of interest by Iron County, or a sheriff's certificate of sale or deed.

Section 10. Reserve Fund.

(a) The District does hereby establish a reserve fund (the "Reserve Fund") in lieu of funding a special improvement guaranty fund, as additional security for the Assessment Bonds.

(b) The Reserve Fund shall be initially funded from District funds. As such, the cost of initially funding the Reserve Fund is not included in the Assessments of the property in the assessment Area. Unless otherwise provided in the Indenture, the moneys on deposit in the Reserve Fund, if any, shall, upon the final payment of the Assessment Bonds, be returned to the District. The adjustment, if any, of the Reserve Requirement will be governed by the provisions of the Indenture or state law, whichever is greater.

(c) In the event insufficient Assessments are collected by the District to make the debt service payments on the Assessment Bonds, the District shall draw on the Reserve Fund to make up such deficiency, and the District shall replenish the Reserve Fund with its own funds in accordance with the requirements and provisions of the Indenture.

(d) Amounts recovered by exercise of any of the remedies provided herein or otherwise from delinquent Assessments (and not needed to pay amounts coming due on the Assessment Bonds) shall be used to replenish amounts drawn from the Reserve Fund.

(e) In the event the Assessment Bonds are refunded, the Reserve Requirement may be adjusted by the District and amounts in the Reserve Fund may be applied to assist in such refunding. Any refunding of the Assessment Bonds shall not increase the total cost of the Assessments in any one year.

Section 11. Investment Earnings. Except as otherwise provided in the Indenture, all investment earnings on the Reserve Fund shall be maintained in said Fund and applied in the same manner as the other moneys on deposit therein as provided in the Indenture.

Section 12. Contestability. No assessment shall be declared invalid or set aside in whole or in part in consequence of any error or irregularity that does not go to the equity or justice of the assessment or proceeding. Any party who has not waived his/her objections to same as provided by statute may commence a civil action against the District to enjoin the levy or collection of the assessment or to set aside and declare unlawful this Resolution.

Such action must be commenced, and summons must be served on the District not later than sixty (60) days after the effective date of this Resolution. This action shall be the exclusive remedy of any aggrieved party. No court shall entertain any complaint that the party was authorized to make by statute but did not timely make or any complaint that does not go to the equity or justice of the assessment or proceeding.

After the expiration of the 60-day period provided in this section:

(a) The assessments levied in the Assessment Area shall become incontestable as to all persons who have not commenced an action and served a summons as provided for in this section; and

(b) A suit to enjoin the levy, collection, or enforcement of the assessment, or to attack or question the legality of the assessment may not be commenced in this state, and a court may not inquire into those matters.

Section 13. Notice to Property Owners. The District Manager is hereby authorized and directed to give notice of assessment by mail to the property owners in the Assessment Area. Said notice shall, among other things, state the amount of the

assessment and the terms of payment. A copy of the form of notice of assessment is available for examination upon request at the office of the District.

Section 14. All Necessary Action Approved. The officials of the District are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Resolution.

Section 15. Repeal of Conflicting Provisions. All Resolutions or parts thereof in conflict with this Resolution are hereby repealed.

Section 16. Publication of Resolution. Immediately after its adoption, this Resolution shall be signed by the District Manager and shall be recorded in the Resolution book kept for that purpose. In accordance with Section 11-42-404(2)(a), Utah Code this Resolution shall be posted in at least three public places within the local entity's jurisdictional boundaries for at least 21 days; and posted on the Utah Public Notice Website created in Section 63A-16-601 for at least 21 days.

, and in accordance with Section 45-1-101, Utah Code Annotated 1953, as amended, and shall take effect on immediately upon execution of the same by the District Chairman.

Section 17. Notice of Assessment Interest. The District Manager is hereby authorized and directed to file a Notice of Assessment Interest with the Iron County Recorder within five days of the effective date of this Resolution. Such Notice shall state that the District has an assessment interest in the assessed property, state the maximum number of years over which the assessment will be payable, and describe the property assessed by legal description and tax identification number.

PASSED AND APPROVED by the Central Iron County Water Conservancy District of Iron County, Utah, this 21 day of April, 2022.

(SEAL)



By: *Drew Huester*
Chair

ATTEST:

By: *Amanda Williams*
CICWCD-Office Manager