

STATE OF UTAH



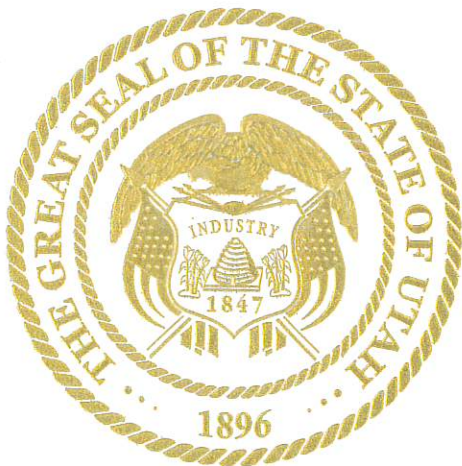
OFFICE OF THE LIEUTENANT GOVERNOR

CERTIFICATE OF CREATION

I, Deidre M. Henderson, Lieutenant Governor of the State of Utah, hereby certify that there has been filed in my office a notice of creation for the CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 1 located in IRON COUNTY, dated MARCH 20, 2023, complying with Section §17D-4-201, Utah Code Annotated, 1953, as amended.

Now, therefore, notice is hereby given to all whom it may concern that the attached is a true and correct copy of the notice of creation, referred to above, on file with the Office of the Lieutenant Governor pertaining to the CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 1, located in IRON COUNTY, State of Utah.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed the Great Seal of the State of Utah this 20<sup>th</sup> day of March, 2023 at Salt Lake City, Utah.



A handwritten signature in black ink, reading "Deidre M. Henderson".

DEIDRE M. HENDERSON  
Lieutenant Governor



STATE OF UTAH



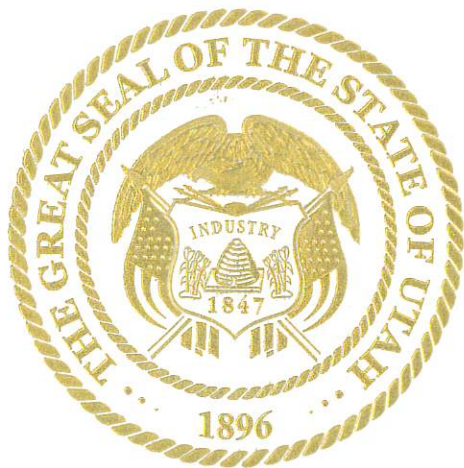
OFFICE OF THE LIEUTENANT GOVERNOR

CERTIFICATE OF CREATION

I, Deidre M. Henderson, Lieutenant Governor of the State of Utah, hereby certify that there has been filed in my office a notice of creation for the CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 2 located in IRON COUNTY, dated MARCH 20, 2023, complying with Section §17D-4-201, Utah Code Annotated, 1953, as amended.

Now, therefore, notice is hereby given to all whom it may concern that the attached is a true and correct copy of the notice of creation, referred to above, on file with the Office of the Lieutenant Governor pertaining to the CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 2, located in IRON COUNTY, State of Utah.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed the Great Seal of the State of Utah this 20<sup>th</sup> day of March, 2023 at Salt Lake City, Utah.



DEIDRE M. HENDERSON  
Lieutenant Governor





Cedar City, Utah

March 8, 2023

The City Council (the “Council”) of Cedar City, Utah (the “City”), met in regular session (including by electronic means) on March 8, 2023, at its regular meeting place in Cedar City, Utah at 5:30 p.m., with the following members of the Council being present:

Garth O. Green	Mayor
Terri Hartley	Council Member
Craig Isom	Council Member
W. Tyler Melling	Council Member
R. Scott Phillips	Council Member
Ronald Riddle	Council Member

Also present:

Renon Savage	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this March 8, 2023, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following Resolution was introduced in writing, read in full and pursuant to motion duly made by Council Member R. Scott Phillips and seconded by Council Member Terri Hartley adopted by the following vote:

AYE: Council Members: Terri Hartley, Craig Isom, R. Scott Phillips, Ron Riddle

ABSTAINED: Council Member W. Tyler Melling

NAY:

The resolution was later signed by the Mayor and recorded by the City Recorder in the official records of the City. The resolution is as follows:

RESOLUTION 23-0308-1

A RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF CEDAR CITY, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 AND 2 (COLLECTIVELY, THE "DISTRICTS") AS INDEPENDENT BODIES CORPORATE AND POLITIC; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT AND INTERLOCAL AGREEMENT; APPROVING OF AN ANNEXATION AREA; APPOINTING COUNCILS OF TRUSTEES OF THE DISTRICTS; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of two (2) separate public infrastructure districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities - Local Districts, Title 17B (together with the PID Act, the "Act") within the boundaries of the City and approve an annexation area (the "Annexation Area") which any of the districts may annex into or withdrawal therefrom without further approval or hearings of the City or the Council, as further described in Governing Document Exhibits A and B for the purpose of financing public infrastructure costs; and

WHEREAS, pursuant to the terms of the Act, the City may create one or more public infrastructure districts by adoption of a resolution of the Council and with consent of 100% of all surface property owners proposed to be included in each District (the "Property Owners"); and

WHEREAS, after 6:00 p.m. on March 8, 2023, a public hearing was held by the City to receive input from the public regarding the creation of the Districts and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, the hearing was held at the City Building because there is no reasonable place to hold a public hearing within the Districts' boundaries, and the hearing at the City Building was held as close to the applicable area as reasonably possible; and

WHEREAS, the City mailed or caused to be mailed prior notice of the hearing to each of the Property Owners in compliance with Section 17B-1-211(1)(b) of the Act; and

WHEREAS, the Petition, containing the consent of such Property Owners has been certified by the Recorder of the City pursuant to the Act and it is in the best interests of the Property Owners that the creation of the Districts be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, it is necessary to authorize the creation of the Districts under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the date of this Resolution; and

WHEREAS, each Council member appointed under this Resolution has previously filed with the City a disclosure of business relationships in compliance with Section 17D-4-202(9) of the PID Act; and

WHEREAS, according to attestations filed with the City, each Council member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a Council member of the Districts under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within the District boundaries (as further set forth in the Petition); and

WHEREAS, the governance of the Districts shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit B, for the Districts, and an Interlocal Agreement between the City and the Districts, attached to the Governing Document as Governing Document Exhibit C; and

WHEREAS, pursuant to the requirements of the Act, there shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah a Notice of Boundary Action for each District attached hereto as Exhibit C (the "Boundary Notice") and Final Entity Plats to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) (the "Plat").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, AS FOLLOWS:

1. Terms defined in the foregoing recitals shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by officers of the Council directed toward the creation and establishment of the Districts, are hereby ratified, approved and confirmed.

2. The Districts are hereby created as separate entities from the City in accordance with the Governing Document and the Act. The boundaries of each District shall be as set forth in the Governing Document and the Plat.

3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation of any area within the Annexation Area Boundaries into any of the Districts without any further action of the Council or the City and further approves withdrawal of any area within the Initial District Boundaries (as defined in the Governing Document) or Annexation Area Boundaries from any District without any further action, hearings, or resolutions of the Council or the City, upon compliance with the terms of the PID Act and the Governing Document.

4. The Council does hereby authorize the Districts to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the Districts without further request of the Districts to the City to provide such service under 17B-1-407, Utah Code Annotated 1953 or resolutions of the City under 17B-1-408, Utah Code Annotated 1953.

5. It is hereby found and determined by the Council that the creation of the Districts is appropriate to the general welfare, order and security of the City, and the organization of the District pursuant to the PID Act is hereby approved.

6. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit D and the Form Interlocal Agreement between the City and the Developer, are hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.

7. The Councils of the Districts are hereby appointed as follows:

(a) District No. 1

- (1) Trustee 1 – Ryan Kent for an initial 6-year term.
- (2) Trustee 2 – Joe Darger for an initial 6-year term.
- (3) Trustee 3 – Dallas Buckner for an initial 4-year term.

(b) District No. 2

- (1) Trustee 1 – Ryan Kent for an initial 6-year term.
- (2) Trustee 2 – Joe Darger for an initial 6-year term.
- (3) Trustee 3 – Dallas Buckner for an initial 4-year term.

(c) Such terms shall commence on the date of issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah for the respective District.

8. The Council does hereby authorize the Mayor or a Council Member to execute the Boundary Notices in substantially the form attached as Exhibit C and such other documents as shall be required to accomplish the actions contemplated herein on behalf of the Council for submission to the Office of the Lieutenant Governor of the State of Utah.

9. Prior to certification of the creation of the Districts by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Council Member, the City Administrator, or the City Attorney to make any corrections, deletions, or additions to the Governing Document, the Interlocal Agreement, and the Boundary Notice or any other document herein authorized and approved (including, but not limited to, corrections to the property descriptions therein contained) which may be necessary to conform the same to the intent hereof, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States (provided that the debt and mill levy limitations established therein may not be modified pursuant to this provision).

10. The Council of Trustees of each District (the “District Council”) is hereby authorized and directed to record such Governing Document with the recorder of Cedar City within thirty (30) days of the issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah.

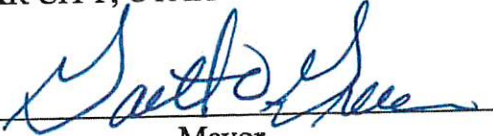
11. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

12. All acts, orders and resolutions, and parts thereof in conflict with this Resolution be, and the same are hereby, rescinded.

13. This resolution shall take effect immediately provided that, in the event that the Plat is not finalized for submission to the Office of the Lieutenant Governor until a date that is more than thirty (30) days after adoption of this Resolution, the effective date of this Resolution will be deemed to be the date the Plat is finalized, as certified in writing by any one of the Mayor, a Council Member, the City Administrator, or the City Attorney.

PASSED AND ADOPTED by the City Council of Cedar City, Utah, this March 8, 2023.

CEDAR CITY, UTAH

By:   
Mayor



ATTEST:

By:   
City Recorder

(Here follows other business not pertinent to the above.)

Pursuant to motion duly made and seconded, the meeting of the Council of the City adjourned.

By:   
Mayor

ATTEST:



By:   
City Recorder



STATE OF UTAH                    )  
  : ss.  
COUNTY OF IRON                )

I, Renon Savage, the undersigned duly qualified and acting City Recorder of Cedar City, Utah (“the City”), do hereby certify as follows:

The foregoing pages are a true, correct, and complete copy of the record of proceedings of the City Council (the “Council”), had and taken at a lawful meeting of the Council on March 8, 2023, commencing at the hour of 5:30 p.m., as recorded in the regular official book of the proceedings of the Council kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

All members of the Council were duly notified of said meeting, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this March 8, 2023.



By: Renon Savage  
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Renon Savage, the undersigned City Recorder of Cedar City, Utah (the "City"), do hereby certify that I gave written public notice of the agenda, date, time and place of the regular meeting held by the City Council (the "Council") on March 8, 2023, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

(a) causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) causing a copy of such Notice, in the form attached hereto as Schedule 1, to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2023 Annual Meeting Schedule for the Council of the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Council of the City to be held during the year, by causing said Notice to be (i) posted on December 22, 2022 at the principal office of the City, and (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this March 8, 2023.

By: Renon Savage

City Recorder



SCHEDULE 1

NOTICE OF MEETING AND AGENDA

**NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF PUBLIC  
INFRASTRUCTURE DISTRICTS BY CEDAR CITY, UTAH**

February 16, 2023

Dear Property Owner and/or Registered Voter,

This letter is furnished to you by the City Council (the “Council”) of Cedar City, Utah (the “City”) to provide notice of a public hearing to be held by the Council on **March 1, 2023 at or after 6 P.M.** The public hearing is regarding the proposed creation of the Chelsey Public Infrastructure District No. 1 and Chelsey Public Infrastructure District No. 2, (the “Proposed Districts”) and to allow for public input on (i) whether the requested service (described below) is needed in the area of the applicable Proposed District, (ii) whether the service should be provided by the City or the Proposed District, and (iii) all other matters relating to the Proposed Districts.

You are receiving this letter because your property or residence is located within the boundaries of one or more of the Proposed Districts. Because consent to the creation of the Proposed Districts and waiver of the protest period has been obtained from all property owners and registered voters within the boundaries of the Proposed Districts, pursuant to Section 17D-4-201 of the Utah Code, the City may adopt a resolution creating the Proposed District immediately after holding the public hearing described herein or on any date thereafter. **Any withdrawal of consent to creation or protest of the creation of the Proposed District must be submitted to the City prior to the public hearing described herein.**

**Meeting Information:**

Held By: The City Council of Cedar City, Utah  
Date and Time: March 1, 2023 at or after 6 P.M.  
Location: Council Chambers  
10 N. Main Street,  
Cedar City UT 84720

**Proposed District Boundaries:**

A metes and bounds boundary description of each of the Proposed Districts are attached as **Appendix A**. In addition, it is anticipated that the Proposed Districts would be authorized to adjust their boundaries through annexation and withdrawal of properties, so long as such properties are within the proposed inclusion area, as shown on the map attached as **Appendix B** and certain requirements as established in a governing document have been met.

**Summary of Proposed Resolutions:**

Each of the proposed resolutions regarding the creation of the Proposed Districts contain consideration of approval the following items:

- Creation of the Proposed Districts with the boundaries as described herein
- Approval of the annexation of or withdrawal from the boundaries of the Proposed Districts any area within the Annexation Area without additional approvals or hearings of the City, subject to the conditions of the Governing Document
- Establishment of a Board of Trustees for each of the Proposed Districts and appointment of the following individuals as initial members:
  - Ryan Kent
  - Joe Darger
  - Dallas Buckner
- Authorization for execution by the City of a Notice of Boundary Action and Final Entity Plat
- Approval of a Governing Document and Interlocal Agreement with respect to each Proposed District containing the following limitations
  - A property tax limit of 0.006 per dollar of taxable value
  - An aggregate debt limit of \$22,000,000 for the Proposed Districts

**Proposed Service:**

**Chelsey Public Infrastructure District No. 1** is proposed to be created for the purpose of financing the construction of public infrastructure relating to the Chelsey development (the “Project”), as permitted under the Local District Act, Title 17B, Chapter 1, Utah Code Annotated 1953 and the Public Infrastructure District Act, Title 17B, Chapter 2a, Utah Code Annotated 1953 (collectively, the “Act”).

**Chelsey Public Infrastructure District No. 2** is proposed to be created for the purpose of financing the construction of public infrastructure relating to the Project, as permitted under the Act.

Sincerely,

The City Council of Cedar City, Utah

**APPENDIX A**  
**PROPOSED DISTRICT BOUNDARIES**

**District No. 1**

COMMENCING AT THE SOUTHWEST CORNER SECTION 28, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N00°09'35"E ALONG THE SECTION LINE 50.00 FEET BEING A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W ALONG SAID RIGHT OF WAY 951.90 FEET; THENCE DEPARTING SAID R.O.W. N00°12'44"E 750.42 FEET; THENCE N89°36'46"W 328.11 FEET TO A POINT ON THE EAST RIGHT OF WAY OF 3100 WEST (LUND HWY) RIGHT OF WAY; THENCE N00°12'48"E ALONG SAID R.O.W. 1,866.82 FEET; THENCE S89°34'43"E ALONG THE 1/4 SECTION LINE 1,277.58 FEET TO THE EAST 1/4 OF SAID SECTION 29; THENCE N00°01'03"E ALONG THE SECTION LINE 1,333.20 FEET TO THE 1/16TH CORNER; THENCE S89°30'36"E ALONG THE 1/16TH LINE 1,969.63 FEET TO THE 1/64TH CORNER; THENCE S00°02'07"E ALONG THE 1/64TH LINE 1,365.23 FEET; THENCE N89°37'57"W 1,018.22 FEET; THENCE S00°05'44"W 1,296.07 FEET TO A POINT ON THE 1/16TH LINE; THENCE S89°41'24"E ALONG SAID LINE 362.23 FEET TO THE 1/16TH CORNER; THENCE S00°03'07"W ALONG THE 1/16TH LINE 1,280.33 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH; THENCE N89°49'04"W ALONG SAID LINE 1,318.80 FEET TO THE POINT OF BEGINNING.

CONTAINING 200.16 ACRES, MORE OR LESS.

**District No. 2**

BEGINNING AT A POINT N00°09'35"E 50.00 FEET ALONG THE SECTION LINE AND N89°36'41"W ALONG THE NORTH 2400 NORTH RIGHT OF WAY 951.90 FEET FROM THE SOUTHEAST CORNER OF SECTION 29, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W ALONG SAID RIGHT OF WAY 328.13 FEET TO THE EASTERLY RIGHT OF WAY OF 3100 WEST (LUND HWY); THENCE N00°12'48"E ALONG SAID RIGHT OF WAY 750.42 FEET; THENCE DEPARTING SAID RIGHT OF WAY S89°36'46"E 328.11 FEET; THENCE S00°12'44"W 750.42 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.65 ACRES, MORE OR LESS.

**Annexation Area**

COMMENCING AT THE SOUTHWEST CORNER SECTION 28, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N00°09'35"E ALONG THE SECTION LINE 50.00 FEET BEING A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W



ALONG SAID RIGHT OF WAY 1,280.02 FEET; THENCE N00°12'48"E ALONG THE  
EASTERLY RIGHT OF WAY 3100 WEST (LUND HWY) R.O.W. 2,617.23 FEET; THENCE  
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1/16TH CORNER; THENCE S00°03'07"W ALONG THE 1/16TH LINE 1,280.33 FEET TO A  
POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH; THENCE N89°49'04"W  
ALONG SAID LINE 1,318.80 FEET TO THE POINT OF BEGINNING.

CONTAINING 205.81 ACRES, MORE OR LESS.





SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

## PUBLIC NOTICE

The Cedar City Council will hold work meetings on the first and third Wednesday of each month and regular meetings on the second and fourth Wednesday of each month during 2023, with some exceptions. The meetings will be held at 5:30 p.m. in the Council Chambers at the City Office, 10 North Main, Cedar City, Utah. The adopted meeting schedule is as follows:

### January

4 Work  
11 Action  
18 Work  
25 Action

### February

1 Work  
8 Action  
15 Work  
22 Action

### March

1 Work  
8 Action  
15 Work  
22 Action  
29 No Meeting

### April

5 Work  
12 Action  
19 Work  
26 Action

### May

3 Work  
10 Action  
17 Work  
24 Action  
31 No Meeting

### June

7 Work  
14 Action  
21 Work  
28 Action

### July

5 Work  
12 Action  
19 Work  
26 Action

### August

2 Work  
9 Action  
16 Work  
23 Action  
30 Work

### September

6 No Meeting (Utah  
League Meetings in SLC)  
13 Action  
20 Work  
27 Action

### October

4 Work  
11 Action  
18 Work  
25 Action

### November

1 Work  
8 Action  
15 Work  
22 No Meeting  
29 Action

### December

6 Work  
13 Action  
20 No Meeting  
27 No Meeting

## PUBLIC NOTICE

The committees and boards for Cedar City will hold their 2023 regular meetings at the City Offices, 10 North Main Street, Cedar City, Utah. They are as follows:

Board of Adjustments -First Monday of each month – 5:15 p.m.  
Planning Commission - First & Third Tuesday of each month – 5:15 p.m.  
Redevelopment Agency -Meet as needed  
Municipal Building Authority-Meet as needed  
Other committees appointed by the Mayor will meet as needed.

## PUBLIC NOTICE

The Cedar City Library Board will hold regular meetings on the third Tuesday of each month during 2023 except for July and December. The meetings will be held at 12:00 p.m. at the Public Library, 303 North 100 East, Cedar City, Utah.

EXHIBIT B

GOVERNING DOCUMENT

**GOVERNING DOCUMENT**

**FOR**

**CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 AND 2**

**CEDAR CITY, UTAH**

Prepared by

Gilmore & Bell, P.C.  
Salt Lake City, Utah

March 8, 2023

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**LIST OF EXHIBITS**

<b>EXHIBIT A</b>	Legal Descriptions
<b>EXHIBIT B</b>	Initial District and Annexation Boundaries Map
<b>EXHIBIT C</b>	Interlocal Agreement between the District and Cedar City



## I. INTRODUCTION

### A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Governing Document, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Governing Document. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements. The Districts are not being created to provide any ongoing operations and maintenance services.

### B. Need for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the Districts are therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

### C. Objective of the City Regarding Districts' Governing Document.

The City's objective in approving the Governing Document for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by one or more of the Districts (or interlocal entity formed by the Districts). All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy and/or repaid by Assessments. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Governing Document is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose for creating the Districts is to provide for the Public Improvements associated with development and regional needs.

It is the intent that the Districts dissolve upon payment or defeasance of all Debt incurred or upon a determination that adequate provision has been made for the payment of all Debt.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Assessments or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on taxable properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on taxable properties. The Districts are also permitted to utilize tax increment revenues (if any) for the repayment of Debt. It is the intent of

this Governing Document to assure to the extent possible that no taxable property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no taxable property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

## II. DEFINITIONS

In this Governing Document, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Annexation Area Boundaries: means the boundaries of the area described in the Annexation Area Boundary Map which have been approved by the City for annexation into or withdrawal from one or more of the District upon the meeting of certain requirements.

Annexation Area Boundary Map: means the map attached hereto as **Exhibit B**, describing the property proposed for annexation into or withdrawal from one or more of the Districts.

Approved Development Plan: means a development agreement or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the District Area and establishing requirements related to the funding and timing of the Pre-Requisite Improvements, as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time. For purposes of this Governing Document, the Development Agreement dated \_\_\_\_\_, 20\_\_ between the City and Chelsey Partners LLC, shall constitute an Approved Development Plan only if such Development Agreement is amended to address the funding and timing of the Pre-Requisite Improvements.

Assessment: means assessments levied in an assessment area created within the Districts or a District.

Board: means the board of trustees of one District or the boards of trustees of all Districts, in the aggregate.

Bond, Bonds or Debt: means bonds or other obligations, including loans of any property owner, for the payment of which any District has promised to impose an *ad valorem* property tax mill levy, and/or collect Assessments.

C-PACE Act: means Title 11, Chapter 42a of the Utah Code, as amended from time to time and any successor statute thereto.

C-PACE Bonds: means bonds, loans, notes, or other structures and obligations of the District issued pursuant to the C-PACE Act, including refunding C-PACE Bonds.

C-PACE Assessments: means assessments levied under the C-PACE Act.

City: means Cedar City, Utah

City Code: means the City Code of Cedar City, Utah.

City Council: means the City Council of Cedar City, Utah.

District: means any one of the Chelsey Public Infrastructure Districts No. 1 through 2.

District Act: means the Local District Act and the PID Act.

District No. 1: means the Chelsey Public Infrastructure District No. 1.

District No. 2: means the Chelsey Public Infrastructure District No. 2.

Districts: means District No. 1 and District No. 2.

District Area: means the property within the Initial District Boundary Map and the Annexation Area Boundary Map.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

Fees: means any fee imposed by any District for administrative services provided by such District.

Financial Plan: means the Financial Plan described in Section VIII which describes (i) the potential means whereby the Public Improvements may be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Debt: means a Debt that is directly payable from and secured by ad valorem property taxes that are levied by a District and does not include Limited Tax Debt.

Governing Document: means this Governing Document for the Districts approved by the City Council.

Governing Document Amendment: means an amendment to the Governing Document approved by the City Council in accordance with the City's ordinance and the applicable state law and approved by the Boards in accordance with applicable state law.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit B**, describing the initial boundaries of the Districts.

Limited Tax Debt: means a debt that is directly payable from and secured by ad valorem property taxes that are levied by a District which may not exceed the Maximum Debt Mill Levy.

Local District Act: means Title 17B of the Utah Code, as amended from time to time and any successor statute thereto.

Maximum Debt Mill Levy: means the maximum mill levy any of the Districts is permitted to impose for payment of Debt as set forth in Section VIII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy for any given series of bonds as set forth in Section VIII.D below.

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual recognized as a municipal advisor by the MSRB and the SEC; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Project: means the development or property commonly referred to as the Chelsey Development.

PID Act: means Title 17D, Chapter 4 of the Utah Code, as amended from time to time and any successor statute thereto.

Pre-Requisite Improvements: means certain off-site sewer improvements and water loop improvements, as shall be further described in an Approved Development Plan.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Local District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the District Area as determined by the Board.

Regional Improvements: means Public Improvements and facilities that benefit the District Area and which are to be financed pursuant to Section VII below.

State: means the State of Utah.

Taxable Property: means real or personal property within the District Area subject to ad valorem taxes imposed by the Districts.

Tax Increment Revenue: means tax increment revenues generated and available for use under the applicable provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C, of the Utah Code as amended from time to time and any successor statute thereto.

Trustee: means a member of the Board.

Utah Code: means the Utah Code Annotated 1953, as amended.

### III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 205.81 acres, comprised of approximately 200.16 acres for District No. 1 and 5.65 acres for District No. 2. The Annexation Area Boundaries includes the entirety of the Initial District Boundaries. A legal description of the Initial District Boundaries and the Annexation Area Boundaries is attached hereto as **Exhibit A**. A map of the Initial District Boundaries and Annexation Area Boundaries is attached hereto as **Exhibit B**. It is anticipated that the District's boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below.

### IV. ASSESSED VALUATION

The District Area consists of approximately 206.32 acres of undeveloped land. The current market valuation by the Iron County Assessor as of 2022 of the District Area is \$2,388,629 for purposes of this Governing Document and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

Approval of this Governing Document by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Governing Document or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

### V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

#### A. Powers of the Districts and Governing Document Amendment.

The Districts shall have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Public Improvements. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate public entity or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other



drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

2. Pre-Requisite Improvements. Notwithstanding the foregoing, the District shall ensure that the financing of the Pre-Requisite Improvements are accomplished in accordance with the timing established in an Approved Development Plan, and shall set aside proceeds of Debt for such financing if required in an Approved Development Plan.

3. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Procurement. The Districts shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the Districts may acquire completed or partially completed improvements for fair market value as reasonably determined by any one of a surveyor or engineer that such District employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the Public Improvements.

5. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, a District shall obtain the certification of a Municipal Advisor substantially as follows:

We are [I am] a Municipal Advisor within the meaning of the District's Governing Document.

We [I] certify that (1) the net effective interest rate to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

6. Annexation and Withdrawal.

(a) The Districts shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. The City, by approval of this Governing Document, has consented to the annexation of any area within the Annexation Area Boundaries into any of the Districts. Such area may only be annexed upon such District obtaining consent of all property owners and registered voters, if any, within the area proposed to be annexed and the passage of a resolution of such District's Board approving such annexation.

(b) The City, by approval of this Governing Document, has consented to the withdrawal of any area within the District Boundaries from one or more of the Districts. Such area may only be withdrawn upon such District obtaining consent of all property owners and

registered voters, if any, within the area proposed to be withdrawn and the passage of a resolution of such District's Board approving such annexation.

(c) Any annexation or withdrawal shall be in accordance with the applicable requirements of the District Act.

(d) Upon any annexation or withdrawal, such District shall provide the City a description of the revised District Boundaries.

(e) Annexation or withdrawal of any area in accordance with V.A.6(a) and (b) shall not constitute an amendment of this Governing Document.

7. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, without the written consent of the City, the Districts shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

8. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Assessments used for the purpose of repayment of Debt. Nothing herein shall be construed as to obligate the City Council to approve an Approved Development Plan. In addition, in the event that approval of an Approved Development Plan lapses or expires in accordance with the City Code, approval for purposes of the Governing Document will also be deemed to lapse or expire, provided that such lapse or expiration shall not affect any previously issued Debt or any mill levy or Assessments relating to previously issued Debt.

9. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of an aggregate amount of Twenty-Seven Million Dollars (\$27,000,000). This amount excludes any portion of Bonds issued to refund a prior issuance of debt by the Districts. The Total Debt Issuance Limitation does not apply to the Districts' pledge of its property tax revenues to the Debt of one of the other Districts. In addition, any C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the C-PACE Act.

10. Bankruptcy Limitation. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 17D-4-201(5), Utah Code. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Governing Document Amendment; and



(b) Are, together with all other requirements of Utah law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable non-bankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Governing Document and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Governing Document Amendment.

11. Governing Document Amendment Requirement.

(a) This Governing Document has been designed with sufficient flexibility to enable the Districts to provide required facilities under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in V.A.1-10 above or in VIII.B-G. shall be deemed to be material modifications to this Governing Document and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

(b) Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolutions of the City and the Districts approving such amendment.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the District Area and is approximately Twenty-Seven Million Dollars (\$27,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and/or any other applicable public entity and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions to be performed by each District may be clarified in one or more interlocal agreements between and among the Districts.

## VI. THE BOARD OF TRUSTEES

A. Board Composition. Each Board shall be composed of 3 Trustees who shall be appointed by the City Council pursuant to the PID Act. The initial Board of each District shall be appointed by the City Council by resolution concurrent with the approval of this Governing Document. All Trustees shall hold at large seats. Trustee terms for each District shall be staggered with initial terms as follows: Trustee 3 shall serve an initial term of 4 years; Trustees 1 and 2 shall serve an initial term of 6 years. All terms shall commence on the date of issuance of a certificate of creation by the Office of the Lieutenant Governor of the State of Utah. In accordance with the PID Act, appointed Trustees shall not be required to be residents of such District.

### B. Future Board Composition.

1. District No. 1: The respective board seats for the District No. 1 Board shall transition from appointed to elected seats according to the following milestones:

(a) Trustee 1. Trustee 1 shall transition to an elected seat upon the earlier to occur of (i) 165 residential certificates of occupancy issued within District No. 1 or (ii) January 1, 2030.

(b) Trustee 2. Trustee 2 shall transition to an elected seat upon the earlier to occur of (i) 330 residential certificates of occupancy issued within District No. 1 (ii) January 1, 2032.

(c) Trustee 3. Trustee 3 shall transition to an elected seat upon the earlier to occur of (i) 450 residential certificates of occupancy issued within District No. 1 (ii) January 1, 2034.

### 2. District No. 2:

(a) As District No. 2 is not anticipated to have any registered voters, the respective board seats for the District No. 2 Board shall continue to be appointed by the City from the candidates recommended by owners of land within District No. 2 and comprised of owners of land or their agents and officers who are registered voters at their principal residence.

(b) In the event of any annexation or withdrawal in accordance with this Governing Document, or change in anticipated use which would cause District No. 2 to have residential units, the respective board seats for the District No. 2 Board shall transition from appointed to elected seats according to the following milestones: Trustee 1 shall transition to an elected seat upon issuance of 33% of the anticipated residential certificates of occupancy issued within District No. 2; Trustee 2 shall transition to an elected seat upon issuance of 67% of the anticipated residential certificates of occupancy issued within District No. 2; and Trustee 3 shall transition to an elected seat upon issuance of 90% of the anticipated residential certificates of occupancy issued within District No. 2. In the event of residential uses within District No. 2, all board seats shall transition from to an elected seat by no later than January 1, 2034.

C. Transition Timeline. No transition pursuant to this Section shall become effective until the next scheduled regular election of the District after the expiration of such Board members

then current term (provided that any seat transitioning on January 1 of a year shall be elected at the regular election preceding such date).

D. Reelection and Reappointment. Upon the expiration of a Trustee's respective term, any seat which has not transitioned to an elected seat shall be appointed by the City Council pursuant to the PID Act and any seat which has transitioned to an elected seat shall be elected pursuant to an election held for such purpose. In the event that no qualified candidate files to be considered for appointment or files a declaration of candidacy for a seat, such seat may be filled in accordance with the Local District Act.

E. Vacancy. Any vacancy on the Board shall be filled pursuant to the Local District Act.

F. Compensation. Unless otherwise permitted by the PID Act, only Trustees who are residents of the District may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

G. Conflicts of Interest. Trustees shall disclose all conflicts of interest. Any Trustee who discloses such conflicts in accordance with 17D-4-202 and 67-16-9, Utah Code, shall be entitled to vote on such matters.

## **VII. REGIONAL IMPROVEMENTS**

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements.

## **VIII. FINANCIAL PLAN**

### **A. General.**

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Assessments, Tax Increment Revenues, and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed an aggregate amount of Twenty-Seven Million Dollars (\$27,000,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. Any portion of bonds issued to refund a prior issuance of debt by the Districts shall not count against the permitted total Debt. In addition, the Total Debt Issuance Limitation does not apply to the Districts' pledge of its property tax revenues to the Debt of one of the other Districts. In addition, any C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the C-PACE Act. All bonds and other Debt issued by the Districts may be payable from any and all legally available revenues of the

Districts, including general ad valorem taxes to be imposed upon all Taxable Property within the Districts, Tax Increment Revenues, and Assessments. The Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy," which is the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Limited Tax Debt and administrative expenses shall be 0.006 per dollar of taxable value of taxable property in the District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. Further, the Districts may not impose mill levies which aggregate in excess of each Districts' respective Maximum Debt Mill Levy; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

(b) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17D-4-202, Utah Code.

(c) In addition, unless otherwise agreed to in writing by the City, the authority of the Districts to impose any mill levy shall expire if neither District has issued Debt within eight (8) years from the date of approval of this Governing Document.

D. Maximum Debt Mill Levy Imposition Term.

Each Bond issued by the Districts shall mature within thirty-one (31) years from the date of issuance of such Bond. In addition, no mill levy may be imposed for the repayment of a series of bonds after a period exceeding forty (40) years from the year of the first imposition of a mill levy with respect to such Bond (the "Maximum Debt Mill Levy Imposition Term").

E. Debt Repayment Sources.

(a) The Districts may impose a mill levy on Taxable Property within its boundaries, up to the Maximum Mill Levy, as a primary source of revenue for repayment of debt service. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the levy of ad valorem property taxes, the use of Tax Increment Revenue, the power to assess Assessments, and the power to impose fees, penalties, and charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time. Except as described in Section VIII.C(a), the debt service mill levy in the Districts shall not exceed

the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term, except for repayment of General Obligation Debt.

(b) All Assessments (other than Assessments under the C-PACE Act) imposed by any District on a parcel shall be payable at or before the time a building permit is issued with respect to such parcel. Any Assessments issued under the C-PACE Act may be repayable in accordance with the provisions of such act.

(c) The District shall not be permitted to charge an End User the costs of any portion of a Public Improvement for which such End User has already paid or is presently obligated to pay through any combination of mill levy or Assessment. This provision shall not prohibit the division of costs between mill levies and Assessments, but is intended to prevent double taxation of End Users for the costs of Public Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Governing Document for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Governing Document shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

G. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Governing Document be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

H. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be Seventy-Five Thousand Dollars (\$75,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be



constructed. The first year's operating budget is estimated to be approximately Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

I. Bond and Disclosure Counsel; Municipal Advisor.

It is the intent of the City that the District shall use competent and nationally recognized bond and disclosure counsel and Municipal Advisor with respect to District Bonds to ensure proper issuance and compliance with this Governing Document. Accordingly, the District agrees to utilize Gilmore & Bell, P.C. as bond and disclosure counsel and Zions Public Finance, Inc. as Municipal Advisor with respect to District Bonds as permitted by law.

**IX. ANNUAL REPORT**

A. General.

Each of the District shall be responsible for submitting an annual report to the City Manager's Office no later than 210 days following the end of such District's fiscal year, beginning with fiscal year 2023.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of the last day of the prior fiscal year, if changed.
2. List of current interlocal agreements, if changed (to be delivered to the Creating Entity upon request);
3. Names and terms of Board members and officers and progress towards milestones required for transition to elected Board;
4. District office contact information, if changed;
5. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;
6. A summary of any litigation which involves the District as of the last day of the prior fiscal year, if any;
7. Status of the District's construction of the Public Improvements as of December 31 of the prior year and listing all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of the last day of the prior fiscal year;
8. A table summarizing total debt authorized and total debt issued by the District as well as any presently planned debt issuances;

9. Official statements of current outstanding bonded indebtedness, if not previously provided to the City;

10. Current year budget; and

11. Financial statements of the District for the most recent completed fiscal year (such statements shall be audited if required by bond documents or statute).

C. Annual Report to Property Owners.

At least once per calendar year, each District shall send a notice to each property owner within the boundaries of such District including the following information:

1. Names and contact information for each Board member.

2. An annual meeting schedule for the District and information on where Board meeting information may be found.

3. The most recent property tax rate of the District.

**X. DISSOLUTION**

Upon repayment or defeasance of the Debt of a District, such District agrees to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution of a District occur until such District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

Within thirty (30) days of finalization of the dissolution of a District, such District shall record a notice with the Iron County Recorder to be recorded on the title of all properties within such District and in a form that is acceptable to the County Recorder that the District has been dissolved, that all Debt of such District has been repaid or defeased, and that such District may no longer impose property taxes or levy assessments for any purpose.

**XI. DISCLOSURE TO PURCHASERS**

Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Iron County to be recorded on the title of all properties within such District and in a form that is acceptable to the County Recorder. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (d) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filed with the City.

In addition, the Applicant and the Board shall ensure that the Applicant, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

- (1) All of the information in the first paragraph of this XI;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:  
  
“Under the maximum property tax rate of the District, **for every \$100,000 of taxable value**, there would be an **additional annual property tax of \$600** for the duration of the District’s Bonds.”
- (3) Such disclosures shall be contained on a separate brightly colored page of the applicable closing or lease documents and shall require a signature of such end user acknowledging the foregoing.

## **XII. INTERLOCAL AGREEMENT**

The form of the Interlocal Agreement required by the City Code, relating to the limitations imposed on the Districts’ activities, is attached hereto as **Exhibit C**. The Districts shall approve the Interlocal Agreement in the form attached as **Exhibit C** at their first Board meeting after its creation. Failure of the District to execute the Interlocal Agreement as required herein shall constitute a material modification and shall require a Governing Document Amendment. The City Council shall approve the Interlocal Agreement in the form attached as **Exhibit C** at the public hearing approving the Governing Document. In the event of any express contradiction between this Governing Document and the Interlocal Agreement, the terms of this Governing Document shall control.



## **EXHIBIT A**

### **Legal Descriptions**

#### **District No. 1**

COMMENCING AT THE SOUTHWEST CORNER SECTION 28, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N00°09'35"E ALONG THE SECTION LINE 50.00 FEET BEING A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W ALONG SAID RIGHT OF WAY 951.90 FEET; THENCE DEPARTING SAID R.O.W. N00°12'44"E 750.42 FEET; THENCE N89°36'46"W 328.11 FEET TO A POINT ON THE EAST RIGHT OF WAY OF 3100 WEST (LUND HWY) RIGHT OF WAY; THENCE N00°12'48"E ALONG SAID R.O.W. 1,866.82 FEET; THENCE S89°34'43"E ALONG THE 1/4 SECTION LINE 1,277.58 FEET TO THE EAST 1/4 OF SAID SECTION 29; THENCE N00°01'03"E ALONG THE SECTION LINE 1,333.20 FEET TO THE 1/16TH CORNER; THENCE S89°30'36"E ALONG THE 1/16TH LINE 1,969.63 FEET TO THE 1/64TH CORNER; THENCE S00°02'07"E ALONG THE 1/64TH LINE 1,365.23 FEET; THENCE N89°37'57"W 1,018.22 FEET; THENCE S00°05'44"W 1,296.07 FEET TO A POINT ON THE 1/16TH LINE; THENCE S89°41'24"E ALONG SAID LINE 362.23 FEET TO THE 1/16TH CORNER; THENCE S00°03'07"W ALONG THE 1/16TH LINE 1,280.33 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH; THENCE N89°49'04"W ALONG SAID LINE 1,318.80 FEET TO THE POINT OF BEGINNING.

CONTAINING 200.16 ACRES, MORE OR LESS.

#### **District No. 2**

BEGINNING AT A POINT N00°09'35"E 50.00 FEET ALONG THE SECTION LINE AND N89°36'41"W ALONG THE NORTH 2400 NORTH RIGHT OF WAY 951.90 FEET FROM THE SOUTHEAST CORNER OF SECTION 29, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W ALONG SAID RIGHT OF WAY 328.13 FEET TO THE EASTERLY RIGHT OF WAY OF 3100 WEST (LUND HWY); THENCE N00°12'48"E ALONG SAID RIGHT OF WAY 750.42 FEET; THENCE DEPARTING SAID RIGHT OF WAY S89°36'46"E 328.11 FEET; THENCE S00°12'44"W 750.42 FEET TO THE POINT OF BEGINNING.

CONTAINING 5.65 ACRES, MORE OR LESS.

#### **Annexation Area**

COMMENCING AT THE SOUTHWEST CORNER SECTION 28, TOWNSHIP 35 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N00°09'35"E ALONG THE SECTION LINE 50.00 FEET BEING A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°36'41"W ALONG SAID RIGHT OF WAY 1,280.02 FEET; THENCE N00°12'48"E ALONG THE

EASTERLY RIGHT OF WAY 3100 WEST (LUND HWY) R.O.W. 2,617.23 FEET; THENCE S89°34'43"E ALONG THE 1/4 SECTION LINE 1,277.58 FEET TO THE EAST 1/4 OF SAID SECTION 29; THENCE N00°01'03"E ALONG THE SECTION LINE 1,333.20 FEET TO THE 1/16TH CORNER; THENCE S89°30'36"E ALONG THE 1/16TH LINE 1,969.63 FEET TO THE 1/64TH CORNER; THENCE S00°02'07"E ALONG THE 1/64TH LINE 1,365.23 FEET; THENCE N89°37'57"W 1,018.22 FEET; THENCE S00°05'44"W 1,296.07 FEET TO A POINT ON THE 1/16TH LINE; THENCE S89°41'24"E ALONG SAID LINE 362.23 FEET TO THE 1/16TH CORNER; THENCE S00°03'07"W ALONG THE 1/16TH LINE 1,280.33 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF 2400 NORTH; THENCE N89°49'04"W ALONG SAID LINE 1,318.80 FEET TO THE POINT OF BEGINNING.

CONTAINING 205.81 ACRES, MORE OR LESS.



## EXHIBIT C

### Interlocal Agreement between the Districts and Cedar City

#### INTERLOCAL AGREEMENT BETWEEN

CEDAR CITY, UTAH

AND

CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 1

AND

CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 2

THIS AGREEMENT is made and entered into as of this 8 day of March, 2023, by and between the CEDAR CITY, a political subdivision of the State of Utah ("City"), CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 1, a political subdivision of the State of Utah ("District No. 1") and CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NO. 2, a political subdivision of the State of Utah ("District No. 2" and together with District No. 1, the "Districts"). The City and the Districts are collectively referred to as the Parties.

#### RECITALS

WHEREAS, the Districts were organized to provide to exercise powers as are more specifically set forth in the Districts' Governing Document approved by the City on March 8, 2023 ("Governing Document"); and

WHEREAS, the Governing Document makes reference to the execution of an Interlocal Agreement between the City and the Districts; and

WHEREAS, the City and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Interlocal Agreement ("Agreement").

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

#### COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The Districts shall dedicate the Public Improvements (as defined in the Governing Document) to the City or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own Public Improvements not otherwise required to be dedicated to the City or other public entity, and all necessary equipment and appurtenances incident thereto.

2. Pre-Requisite Improvements. Notwithstanding the foregoing, the District shall ensure that the financing of the Pre-Requisite Improvements are accomplished in accordance with



the timing established in an Approved Development Plan, and shall set aside proceeds of Debt for such financing if required in an Approved Development Plan.

3. Construction Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction, as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of a Municipal Advisor substantially as follows:

We are [I am] a Municipal Advisor within the meaning of the District's Governing Document.

We [I] certify that (1) the net effective interest rate to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

5. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. By the Governing Document, the City has consented to the annexation or withdrawal of any area within the Annexation Area into or from the District Boundaries. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without the prior written consent of the City except upon petition of the surface property owners of 100 percent of such property and/or 100 percent of registered voters within the area to be included, as applicable, as provided in Section 17D-4-201(3), Utah Code.

6. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the Districts. Additionally, without the written consent of the City, the Districts shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

7. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Governing Document), the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

8. Total Debt Issuance. The District shall not issue Debt in excess of Twenty-Seven Million Dollars (\$27,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District. In addition, this limitation does not apply to the District's pledge of its property tax revenues to the Debt of one of the other Districts.

9. Bankruptcy. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 17D-4-201(4), Utah Code. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Governing Document Amendment; and

(b) Are, together with all other requirements of Utah law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Governing Document and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Governing Document Amendment.

10. Dissolution. Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes. Upon dissolution, such District shall record the notice required in the Governing Document.

11. Disclosure to Purchasers. Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Iron County to be recorded on the title of all properties within such District and in a form that is acceptable to the County Recorder. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (d) if applicable, stating that the Debt may be converted to General Obligation Debt and outlining the provisions relating to such conversion. Such notice shall further be filed with the City.

In addition, the Applicant and the Board shall ensure that the Applicant, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

(4) All of the information in the first paragraph of this XI;

(5) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, for every \$100,000 of taxable value, there would be an additional annual property tax of \$600 for the duration of the District’s Bonds.”

(6) Such disclosures shall be contained on a separate brightly colored page of the applicable closing or lease documents and shall require a signature of such end user acknowledging the foregoing.

12. Governing Document Amendment Requirement. Actions of the Districts which violate the limitations set forth in V.A.1-9 or VIII.B-G of the Governing Document shall be deemed to be material modifications to the Governing Document and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the Districts.

13. Annual Report and Notice. Each District shall be responsible for submitting an annual report to the City Manager’s Office no later than 210 days after the close of the District’s fiscal year, commencing fiscal year 2023 and mailing the annual notice to property owners, each containing the information set forth in Section IX of the Governing Document.

14. Regional Improvements. The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements.

15. Maximum Debt Mill Levy.

(a) The “Maximum Debt Mill Levy,” which is the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Limited Tax Debt and administrative expenses shall be 0.006 per dollar of taxable value of taxable property in the District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. Further, the Districts may not impose mill levies which aggregate in excess of each Districts’ respective Maximum Debt Mill Levy; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

(a) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17D-4-202.

16. Maximum Debt Mill Levy Imposition Term. Each bond issued by the Districts shall mature within thirty-one (31) years from the date of issuance of such bond. In addition, no mill levy may be imposed for the repayment of a series of bonds after a period exceeding forty (40) years from the year of the first imposition of a mill levy with respect to such bond (the “Maximum Debt Mill Levy Imposition Term”).



17. Prepayment of Assessments. All Assessments (other than Assessments under the C-PACE Act) imposed by any District on a parcel shall be payable at or before the time a building permit is issued with respect to such parcel. Any Assessments issued under the C-PACE Act may be repayable in accordance with the provisions of such act.

18. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Chelsey Public Infrastructure District Nos. 1-2

Attn: Ryan Kent  
Phone: (801) 561-4300  
Email: ryan@rkbuilders.us

To the City: Cedar City  
Attn: City Manager  
10 N Main Street  
Cedar City, UT 84720  
Phone: (435) 586-2953

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

19. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Governing Document.

20. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

21. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

22. Term. This Agreement shall terminate upon the earlier to occur of dissolution of the Districts or fifty (50) years from the date hereof.

23. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Utah.

24. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

25. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

26. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the City shall be for the sole and exclusive benefit of the Districts and the City.

27. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

29. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

30. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Governing Document.

31. Governing Document Controls. In the event of any express contradiction between the Governing Document and this Interlocal Agreement, the terms of this Governing Document shall control.

**[SIGNATURE PAGE TO INTERLOCAL AGREEMENT]**

**CHELSEY PUBLIC INFRASTRUCTURE  
DISTRICT NO. 1**

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM: \_\_\_\_\_

**CHELSEY PUBLIC INFRASTRUCTURE  
DISTRICT NO. 2**

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM: \_\_\_\_\_

CEDAR CITY, UTAH

By: \_\_\_\_\_  
Chair



Attest:

Renon Savage  
Recorder

APPROVED AS TO FORM:

Tyler Romeril  
City Attorney

EXHIBIT C

NOTICE OF BOUNDARY ACTION

**NOTICE OF IMPENDING BOUNDARY ACTION**  
**(District No. 1)**

**TO: The Lieutenant Governor, State of Utah**

**NOTICE IS HEREBY GIVEN** that the City Council of Cedar City, Utah (the "Council"), acting in its capacity as the creating entity for the Chelsey Public Infrastructure District No. 1 (the "District"), at a regular meeting of the Council, duly convened pursuant to notice, on March 8, 2023 adopted a *Resolution Providing for the Creation of a Public Infrastructure District*, a true and correct copy of which is attached as APPENDIX "A" hereto and incorporated by this reference herein (the "Creation Resolution").

A copy of the Final Local Entity Plat satisfying the applicable legal requirements as set forth in Utah Code Ann. §17-23-20, approved as a final local entity plat by the Surveyor of Cedar City, Utah, is attached as APPENDIX "B" hereto and incorporated by this reference. The Council hereby certifies that all requirements applicable to the creation of the District, as more particularly described in the Creation Resolution, have been met. The District is not anticipated to result in the employment of personnel.

**WHEREFORE**, the Council hereby respectfully requests the issuance of a Certificate of Incorporation pursuant to and in conformance with the provisions of Utah Code Ann. §17B-1-215.

DATED this 9 day of March, 2023.

**CITY COUNCIL, CEDAR CITY, UTAH,**  
**acting in its capacity as the creating authority for the**  
**Chelsey Public Infrastructure District No. 1,**

By: \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

**VERIFICATION**

STATE OF UTAH            )  
  :ss.  
COUNTY OF IRON        )

SUBSCRIBED AND SWORN to before me this 9 day of

March, 2023.



Natasha Nava  
NOTARY PUBLIC



**NOTICE OF IMPENDING BOUNDARY ACTION**  
**(District No. 2)**

**TO: The Lieutenant Governor, State of Utah**

**NOTICE IS HEREBY GIVEN** that the City Council of Cedar City, Utah (the "Council"), acting in its capacity as the creating entity for the Chelsey Public Infrastructure District No. 2 (the "District"), at a regular meeting of the Council, duly convened pursuant to notice, on March 8, 2023 adopted a *Resolution Providing for the Creation of a Public Infrastructure District*, a true and correct copy of which is attached as APPENDIX "A" hereto and incorporated by this reference herein (the "Creation Resolution").

A copy of the Final Local Entity Plat satisfying the applicable legal requirements as set forth in Utah Code Ann. §17-23-20, approved as a final local entity plat by the Surveyor of Cedar City, Utah, is attached as APPENDIX "B" hereto and incorporated by this reference. The Council hereby certifies that all requirements applicable to the creation of the District, as more particularly described in the Creation Resolution, have been met. The District is not anticipated to result in the employment of personnel.

**WHEREFORE**, the Council hereby respectfully requests the issuance of a Certificate of Incorporation pursuant to and in conformance with the provisions of Utah Code Ann. §17B-1-215.

DATED this 9 day of March, 2023.

**CITY COUNCIL, CEDAR CITY, UTAH,**  
**acting in its capacity as the creating authority for the**  
**Chelsey Public Infrastructure District No. 2,**

By: [Signature]  
AUTHORIZED REPRESENTATIVE

**VERIFICATION**

STATE OF UTAH            )  
                                  :ss.  
COUNTY OF IRON        )

SUBSCRIBED AND SWORN to before me this 9 day of

March, 2023.



[Signature]  
NOTARY PUBLIC



**APPENDIX "A" TO NOTICE OF BOUNDARY ACTION  
(District No. 1)**

**Copy of the Creation Resolution**

Cedar City, Utah

March 8, 2023

The City Council (the "Council") of Cedar City, Utah (the "City"), met in regular session (including by electronic means) on March 8, 2023, at its regular meeting place in Cedar City, Utah at 5:30 p.m., with the following members of the Council being present:

Garth O. Green	Mayor
Terri Hartley	Council Member
Craig Isom	Council Member
W. Tyler Melling	Council Member
R. Scott Phillips	Council Member
Ronald Riddle	Council Member

Also present:

Renon Savage	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this March 8, 2023, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following Resolution was introduced in writing, read in full and pursuant to motion duly made by Council Member R. Scott Phillips and seconded by Council Member Terri Hartley adopted by the following vote:

AYE: Council Members: Terri Hartley, Craig Isom, R. Scott Phillips, Ron Riddle

ABSTAINED: Council Member W. Tyler Melling

NAY:

The resolution was later signed by the Mayor and recorded by the City Recorder in the official records of the City. The resolution is as follows:

RESOLUTION 23-0308-1

A RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF CEDAR CITY, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 AND 2 (COLLECTIVELY, THE "DISTRICTS") AS INDEPENDENT BODIES CORPORATE AND POLITIC; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT AND INTERLOCAL AGREEMENT; APPROVING OF AN ANNEXATION AREA; APPOINTING COUNCILS OF TRUSTEES OF THE DISTRICTS; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of two (2) separate public infrastructure districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities - Local Districts, Title 17B (together with the PID Act, the "Act") within the boundaries of the City and approve an annexation area (the "Annexation Area") which any of the districts may annex into or withdrawal therefrom without further approval or hearings of the City or the Council, as further described in Governing Document Exhibits A and B for the purpose of financing public infrastructure costs; and

WHEREAS, pursuant to the terms of the Act, the City may create one or more public infrastructure districts by adoption of a resolution of the Council and with consent of 100% of all surface property owners proposed to be included in each District (the "Property Owners"); and

WHEREAS, after 6:00 p.m. on March 8, 2023, a public hearing was held by the City to receive input from the public regarding the creation of the Districts and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, the hearing was held at the City Building because there is no reasonable place to hold a public hearing within the Districts' boundaries, and the hearing at the City Building was held as close to the applicable area as reasonably possible; and

WHEREAS, the City mailed or caused to be mailed prior notice of the hearing to each of the Property Owners in compliance with Section 17B-1-211(1)(b) of the Act; and

WHEREAS, the Petition, containing the consent of such Property Owners has been certified by the Recorder of the City pursuant to the Act and it is in the best interests of the Property Owners that the creation of the Districts be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, it is necessary to authorize the creation of the Districts under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the date of this Resolution; and

WHEREAS, each Council member appointed under this Resolution has previously filed with the City a disclosure of business relationships in compliance with Section 17D-4-202(9) of the PID Act; and

WHEREAS, according to attestations filed with the City, each Council member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a Council member of the Districts under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within the District boundaries (as further set forth in the Petition); and

WHEREAS, the governance of the Districts shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit B, for the Districts, and an Interlocal Agreement between the City and the Districts, attached to the Governing Document as Governing Document Exhibit C; and

WHEREAS, pursuant to the requirements of the Act, there shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah a Notice of Boundary Action for each District attached hereto as Exhibit C (the "Boundary Notice") and Final Entity Plats to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) (the "Plat").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, AS FOLLOWS:

1. Terms defined in the foregoing recitals shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by officers of the Council directed toward the creation and establishment of the Districts, are hereby ratified, approved and confirmed.
2. The Districts are hereby created as separate entities from the City in accordance with the Governing Document and the Act. The boundaries of each District shall be as set forth in the Governing Document and the Plat.
3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation of any area within the Annexation Area Boundaries into any of the Districts without any further action of the Council or the City and further approves withdrawal of any area within the Initial District Boundaries (as defined in the Governing Document) or Annexation Area Boundaries from any District without any further action, hearings, or resolutions of the Council or the City, upon compliance with the terms of the PID Act and the Governing Document.
4. The Council does hereby authorize the Districts to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the Districts without further request of the Districts to the City to provide such service under 17B-1-407, Utah Code Annotated 1953 or resolutions of the City under 17B-1-408, Utah Code Annotated 1953.
5. It is hereby found and determined by the Council that the creation of the Districts is appropriate to the general welfare, order and security of the City, and the organization of the District pursuant to the PID Act is hereby approved.

6. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit D and the Form Interlocal Agreement between the City and the Developer, are hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.

7. The Councils of the Districts are hereby appointed as follows:

(a) District No. 1

- (1) Trustee 1 – Ryan Kent for an initial 6-year term.
- (2) Trustee 2 – Joe Darger for an initial 6-year term.
- (3) Trustee 3 – Dallas Buckner for an initial 4-year term.

(b) District No. 2

- (1) Trustee 1 – Ryan Kent for an initial 6-year term.
- (2) Trustee 2 – Joe Darger for an initial 6-year term.
- (3) Trustee 3 – Dallas Buckner for an initial 4-year term.

(c) Such terms shall commence on the date of issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah for the respective District.

8. The Council does hereby authorize the Mayor or a Council Member to execute the Boundary Notices in substantially the form attached as Exhibit C and such other documents as shall be required to accomplish the actions contemplated herein on behalf of the Council for submission to the Office of the Lieutenant Governor of the State of Utah.

9. Prior to certification of the creation of the Districts by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Council Member, the City Administrator, or the City Attorney to make any corrections, deletions, or additions to the Governing Document, the Interlocal Agreement, and the Boundary Notice or any other document herein authorized and approved (including, but not limited to, corrections to the property descriptions therein contained) which may be necessary to conform the same to the intent hereof, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States (provided that the debt and mill levy limitations established therein may not be modified pursuant to this provision).

10. The Council of Trustees of each District (the “District Council”) is hereby authorized and directed to record such Governing Document with the recorder of Cedar City within thirty (30) days of the issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah.

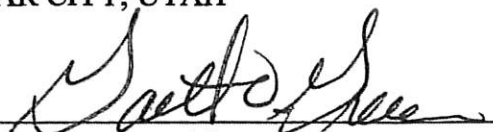
11. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

12. All acts, orders and resolutions, and parts thereof in conflict with this Resolution be, and the same are hereby, rescinded.

13. This resolution shall take effect immediately provided that, in the event that the Plat is not finalized for submission to the Office of the Lieutenant Governor until a date that is more than thirty (30) days after adoption of this Resolution, the effective date of this Resolution will be deemed to be the date the Plat is finalized, as certified in writing by any one of the Mayor, a Council Member, the City Administrator, or the City Attorney.

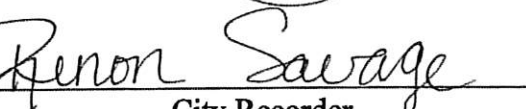
PASSED AND ADOPTED by the City Council of Cedar City, Utah, this March 8, 2023.

CEDAR CITY, UTAH

By:   
Mayor

ATTEST:



By:   
City Recorder



(Here follows other business not pertinent to the above.)

Pursuant to motion duly made and seconded, the meeting of the Council of the City adjourned.

By:   
Mayor

ATTEST:



By:   
City Recorder

**APPENDIX "A" TO NOTICE OF BOUNDARY ACTION  
(District No. 2)**

**Copy of the Creation Resolution**

Cedar City, Utah

March 8, 2023

The City Council (the "Council") of Cedar City, Utah (the "City"), met in regular session (including by electronic means) on March 8, 2023, at its regular meeting place in Cedar City, Utah at 5:30 p.m., with the following members of the Council being present:

Garth O. Green	Mayor
Terri Hartley	Council Member
Craig Isom	Council Member
W. Tyler Melling	Council Member
R. Scott Phillips	Council Member
Ronald Riddle	Council Member

Also present:

Renon Savage	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this March 8, 2023, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following Resolution was introduced in writing, read in full and pursuant to motion duly made by Council Member R. Scott Phillips and seconded by Council Member Terri Hartley adopted by the following vote:

AYE: Council Members: Terri Hartley, Craig Isom, R. Scott Phillips, Ron Riddle

ABSTAINED: Council Member W. Tyler Melling

NAY:

The resolution was later signed by the Mayor and recorded by the City Recorder in the official records of the City. The resolution is as follows:

RESOLUTION 23-0308-1

A RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF CEDAR CITY, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF CHELSEY PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 AND 2 (COLLECTIVELY, THE "DISTRICTS") AS INDEPENDENT BODIES CORPORATE AND POLITIC; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT AND INTERLOCAL AGREEMENT; APPROVING OF AN ANNEXATION AREA; APPOINTING COUNCILS OF TRUSTEES OF THE DISTRICTS; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of two (2) separate public infrastructure districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities - Local Districts, Title 17B (together with the PID Act, the "Act") within the boundaries of the City and approve an annexation area (the "Annexation Area") which any of the districts may annex into or withdrawal therefrom without further approval or hearings of the City or the Council, as further described in Governing Document Exhibits A and B for the purpose of financing public infrastructure costs; and

WHEREAS, pursuant to the terms of the Act, the City may create one or more public infrastructure districts by adoption of a resolution of the Council and with consent of 100% of all surface property owners proposed to be included in each District (the "Property Owners"); and

WHEREAS, after 6:00 p.m. on March 8, 2023, a public hearing was held by the City to receive input from the public regarding the creation of the Districts and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, the hearing was held at the City Building because there is no reasonable place to hold a public hearing within the Districts' boundaries, and the hearing at the City Building was held as close to the applicable area as reasonably possible; and

WHEREAS, the City mailed or caused to be mailed prior notice of the hearing to each of the Property Owners in compliance with Section 17B-1-211(1)(b) of the Act; and

WHEREAS, the Petition, containing the consent of such Property Owners has been certified by the Recorder of the City pursuant to the Act and it is in the best interests of the Property Owners that the creation of the Districts be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, it is necessary to authorize the creation of the Districts under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the date of this Resolution; and

WHEREAS, each Council member appointed under this Resolution has previously filed with the City a disclosure of business relationships in compliance with Section 17D-4-202(9) of the PID Act; and

WHEREAS, according to attestations filed with the City, each Council member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a Council member of the Districts under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within the District boundaries (as further set forth in the Petition); and

WHEREAS, the governance of the Districts shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit B, for the Districts, and an Interlocal Agreement between the City and the Districts, attached to the Governing Document as Governing Document Exhibit C; and

WHEREAS, pursuant to the requirements of the Act, there shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah a Notice of Boundary Action for each District attached hereto as Exhibit C (the "Boundary Notice") and Final Entity Plats to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) (the "Plat").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, AS FOLLOWS:

1. Terms defined in the foregoing recitals shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by officers of the Council directed toward the creation and establishment of the Districts, are hereby ratified, approved and confirmed.
2. The Districts are hereby created as separate entities from the City in accordance with the Governing Document and the Act. The boundaries of each District shall be as set forth in the Governing Document and the Plat.
3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation of any area within the Annexation Area Boundaries into any of the Districts without any further action of the Council or the City and further approves withdrawal of any area within the Initial District Boundaries (as defined in the Governing Document) or Annexation Area Boundaries from any District without any further action, hearings, or resolutions of the Council or the City, upon compliance with the terms of the PID Act and the Governing Document.
4. The Council does hereby authorize the Districts to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the Districts without further request of the Districts to the City to provide such service under 17B-1-407, Utah Code Annotated 1953 or resolutions of the City under 17B-1-408, Utah Code Annotated 1953.
5. It is hereby found and determined by the Council that the creation of the Districts is appropriate to the general welfare, order and security of the City, and the organization of the District pursuant to the PID Act is hereby approved.

6. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit D and the Form Interlocal Agreement between the City and the Developer, are hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.

7. The Councils of the Districts are hereby appointed as follows:

(a) District No. 1

(1) Trustee 1 – Ryan Kent for an initial 6-year term.

(2) Trustee 2 – Joe Darger for an initial 6-year term.

(3) Trustee 3 – Dallas Buckner for an initial 4-year term.

(b) District No. 2

(1) Trustee 1 – Ryan Kent for an initial 6-year term.

(2) Trustee 2 – Joe Darger for an initial 6-year term.

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(c) Such terms shall commence on the date of issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah for the respective District.

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PASSED AND ADOPTED by the City Council of Cedar City, Utah, this March 8, 2023.

CEDAR CITY, UTAH

By:   
Mayor



ATTEST:

By:   
City Recorder

(Here follows other business not pertinent to the above.)

Pursuant to motion duly made and seconded, the meeting of the Council of the City adjourned.

By:   
Mayor

ATTEST:



By:   
City Recorder

**APPENDIX "B" TO NOTICE OF BOUNDARY ACTION  
(District No. 1)**

**Final Local Entity Plat**



**APPENDIX "B" TO NOTICE OF BOUNDARY ACTION  
(District No. 2)**

**Final Local Entity Plat**















