VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT
RESOLUTION 2025-03

A RESOLUTION ADOPTING DISTRICT BYLAWS

WHEREAS, Verk Industrial Regional Public Infrastructure District (the "District") was created by a resolution of the Utah Inland Port Authority (the "UIPA") on August 1, 2024, and a Certificate of Incorporation was issued by the Utah Lieutenant Governor on August 19, 2025; and

WHEREAS, the District's board is authorized under Utah Code Section 17D-4-103 and Utah Code Section 17B-1-301(2)(h) to adopt bylaws; and

WHEREAS, the District wishes to adopt bylaws, including the general ethics and fraud prevention policies included therein, to comply with Utah state regulations, satisfy audit requirements, and prevent fraud.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT AS FOLLOWS:

[Bylaws on Following Pages.]

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT BYLAWS

PREAMBLE

These bylaws of Verk Industrial Regional Public Infrastructure District (the "**District**") are a reaffirmation of the governing document of the District organized under the laws of the State of Utah with purposes as stated herein.

The District was created by Utah Inland Port Authority ("UIPA") by resolution on August 1, 2024, and a Certificate of Incorporation was issued by the Utah Lieutenant Governor on August 19, 2024, pursuant to Utah Code, Title 17B, Chapter 1, and Title 17D, Chapter 2 (together the "Act"). UIPA appointed the initial members of the Board of Trustees of the District. The District is an independent unit of local government, separate and distinct from its creating entity.

Article I
Name, Purpose, and Powers

The name of the governmental entity is Verk Industrial Regional Public Infrastructure District. The District's board of trustees (the "Board") oversees the operation of the District. The purpose of the District is to finance public improvements as set forth in the Governing Document for the District (the "Governing Document"). Subject to any mandatory restrictions stated in the Governing Document, the District has all powers granted in the Act and any other implied powers necessary to carry out the objectives and purposes of the District.

Article II
Board of Trustees

The Board oversees the management, affairs, property, and interests of the District.

A. Composition. The Board is composed of five (5) members. The members of the Board are appointed by UIPA and composed of two representatives of UIPA, two representatives of Spanish Fork City, and one representative of owners of property within the District.

B. Quorum. When the Board is composed of five members, the presence of three (3) members of the Board is necessary for a quorum for the transaction of the District's business. All actions must be approved by at least three (3) members of the Board.

C. Appointment and Vacancies. When a vacancy occurs on the Board, the vacancy is filled in accordance with the procedures stated in the Governing Document and the Act, as may be amended from time to time.

D. Qualifications. Qualifications for Trustees are as stated under the Act.

Article III
Duties of Trustees

Trustees provide oversight for the District's functions, including those of parties under contract with the District.

Article IV
Board Officers and Duties

The Board will elect from its members a Chair, a Vice Chair, a Treasurer, and at least one Clerk/Secretary. A Clerk/Secretary does not need to be a member of the Board.

A. Chair Duties. The Chair presides over all meetings of the Board and executes all documentation or contracts. The Chair shall also be considered the Chief Administrative Officer (CAO) of the District under applicable regulatory law.

B. Clerk/Secretary Duties. The Clerk (sometimes referred to as the Secretary) attends meetings and keeps a record of the proceedings. The Clerk maintains financial records. The Clerk prepares checks. The Clerk prepares any necessary financial reports. The Clerk accepts and manages records, as that term is defined under the Utah Government Records Management Act. The Clerk may sign any documents, including all bond financing documents, as "Clerk" or "Secretary" of the District.

C. Treasurer. The Treasurer signs checks and maintains custody of all the District's money. The Treasurer shall also be considered the Chief Financial Officer (CFO) of the District under applicable regulatory law.

D. Vice Chair. The Vice Chair presides over meetings of the Board in the absence of the Chair. The Vice Chair also signs bond documents that are approved by the Board. The Trustee who serves as Treasurer may also serves as Vice Chair, but this is not required.

Article V
Meetings

A. Regular Meetings. Meetings of the Board are held on an as-needed basis; therefore, it is not anticipated that regularly recurring meetings will be held. However, the Board may at any time set a calendar for regular meetings. Notice to the public of all regular meetings will be made pursuant to the Utah Open and Public Meetings Act.

B. Special Meetings. Special meetings may be called by the Chair. At the request of any two Trustees, the Chair must call a special meeting. The Chair or other authorized person on the Chair's behalf shall email, mail, fax or otherwise deliver written notice of special meetings to the Trustees at least twenty-four (24) hours before the date of each special meeting. A written waiver of a call for a special meeting and a notice of call of a special meeting may be obtained. Notice to the public of all special meetings will be made pursuant to the Utah Open and Public Meetings Act. Most meetings of the Board are anticipated to be special meetings.

C. Emergency Meetings. The Board may call an emergency meeting to discuss an urgent matter due to unforeseen circumstances. When an emergency meeting is determined to be necessary, the following is required: (1) Give the best notice practicable of the time, location, and topics to be considered; (2) Attempt to contact all Trustees; and (3) A majority of the Trustees must approve the meeting.

D. Closed Session. A closed session of the Board may be scheduled at any time deemed necessary by the Chair, in accordance with Utah's Open and Public Meetings Act.

E. Attendance at Meetings. Each member of the Board shall annually attend at least seventy- five percent (75%) of the Board meetings, unless excused for exceptional conditions such as sickness or being absent from the community. Failure to attend the required number of meetings, or three (3) successive unexcused absences, may result in removal from the Board.

F. Meetings by Telephone or Video Conferencing. Members of the Board may participate in a meeting of the Board by means of conference telephone, video conferencing, or similar communications equipment, consistent with the electronic meetings policy of the District adopted by the Board.

G. Voting. Each Trustee shall have one vote. No business requiring a vote may be conducted without a quorum. A tie vote constitutes failure to pass a measure.

Article VI
Compensation

Trustees serve without compensation. The Board, however, may in its discretion pay reasonable expenses for the members of the Board when transacting business on behalf of, and authorized by, the Board.

Article VII
Parliamentary Procedure

The latest version of Roberts Rules of Order, as of the time of the meeting, shall be used for the order of business and conduct of all meetings of the Board, except where such would conflict with these bylaws.

Article VIII
Place of Meetings

Meetings of the Board may be held at the Spanish Fork City Offices, 80 S Main, Spanish Fork, Utah 84660, or at another location as stated otherwise on an agenda at least twenty-four (24) hours in advance.

Article IX
Order of Business

The Board will conduct meetings pursuant to the published agenda of each meeting, but may change its order of business or consider matters out of order at the direction or with the consent of the Chair or by vote of a majority of the Board present. Matters scheduled for action may be tabled or continued by vote of the Board. If no action is taken on a matter scheduled for action, it may be placed back on a future meeting agenda for additional consideration or a final vote.

Article X
Protection of Trustees

A. Defense of Trustees. The District will defend an action brought against a Trustee only under the terms and conditions stated in the Governmental Immunity Act of Utah, as may be amended from time to time.

B. Insurance. The District shall have power to purchase and maintain insurance on behalf of any person who is or was a Trustee, officer or employee of the District; against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of the status as such, whether or not the District would have power by applicable law to indemnify him/her against such liability. The District may also purchase and maintain insurance, in such amounts as the Board may deem appropriate, to insure the District against any liability for the indemnifications provided by this Article.

Article XI
Administration

The Board may appoint a manager, including a management company that offers district management services, or may engage the services of UIPA, Spanish Fork City, or professional advisers who may assist in the management and administration of the District. Any manager or professional adviser so retained shall have all necessary authority and responsibility for the administration of the District in all their activities, subject only to such policies as may be issued by the Board or any of its committees to which it has delegated the power for such action. The District's manager shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated someone else to so act.

Article XII
Conflict of Interest Policy

A. Policy Statement. It is the policy of the Board of Trustees of the District to require Trustees to disclose potential conflicts of interest that may arise between their duties as Trustees and their personal financial interests and act accordingly with respect to votes on matters implicating such conflicts.

B. Overview.

1. The District's Trustees commit themselves to ethical and appropriate use of their authority to ensure and maintain public confidence in the District.

2. The District's Trustees must place the interests of the District over their own personal financial interests.

C. Disclosure.

1. Every Trustee must disclose actual or potential conflicts of interest between their duties as Trustees and their personal financial interests.

2. When there is a conflict of interest, the Trustee shall publicly declare the nature of the conflict.

3. A Trustee who complies with this Conflict of Interest Policy provision may, using the Trustee's discretion, vote on the matter which is the subject of the actual or potential conflict of interest, abstain from voting or participating in the discussion, or leave the meeting during the discussion and/or voting.

4. Trustees may seek a confidential advisory opinion from the District's legal counsel as necessary in disclosing such potential conflicts of interest prior to disclosing them to the Board.

5. Disclosures must be made:

a. When a Trustee first becomes a Trustee.

b. Whenever the Trustee's position in the potential conflict entity changes significantly or the value of their interest in the entity is significantly increased.

c. Whenever the District is considering taking action that implicates or affects the entity in which the Trustee has a position or interest.

Article XIII
Ethical Behavior Policy

A. Policy Statement. This Ethical Behavior Policy is intended to serve as a guide for Trustees in decision-making situations to provide for the highest-level results for the District.

B. Code of Ethics.

1. The Trustees will comply and annually review the District's Conflict of Interest Policy.

2. The Board will follow all laws and regulations related to the ethics of public officers and employees, open meetings, and whistleblower protection.

3. Trustees should direct any complaint and/or issue directly to the Chair for inclusion to the Board agenda for the full Board's consideration.

4. Trustees should forward the District's business items to the Chair for inclusion to the Board agenda. The intent is to provide for public notification and to allow time for research and consider the topic.

5. The Board of Trustees recognizes it operates as a unit and that individual Trustee authority exists only as a member of the whole Board.

6. The Board acknowledges that conflicts of interest may occasionally arise and that each Trustee is responsible to declare such actual or potential conflicts as specified by Utah law or Board policy.

7. The Board will comply with the Utah Public Officer and Employee Ethics Act and ensure individual accountability, including consequences for noncompliance.

8. Trustees will not ask for or receive, directly or indirectly, any compensation, gifts, gratuity, or thing of value, or promise for or for omitting or deferring the performance of any official duty.

9. Trustees will not disclose or use any privileged or proprietary information that was gained by their official Board position.

10. Trustees will follow the Nepotism statute (Utah Code 52-3) which prohibits employments of relatives, with those exceptions listed in Code 52-3-1(2-3).

11. Trustees will follow the Misuse of Public Resources or Property statute (Utah Code 76- 8-4) which delineates the unlawful use of public funds and destruction of property, including records.

Article XIV
Procurement Policy

A. Policy Statement. Public Infrastructure Districts are new and unique in the State of Utah to provide for the funding and development of public infrastructure. The Board recognizes that this type of district is unique and has taken that into consideration when creating this policy based upon Utah Code 17D-4-301(6)(c). Pursuant to the District's Governing Document, the District is also subject to the Utah Procurement Code, Utah Code Title 63G, Chapter 6a. This policy does not replicate the state code and has been customized to best suit the needs of the District. Public solicitation of proposals or bids and competitive evaluation of responses is a means of maximizing value, but often such solicitation is not practicable or will not yield sufficient results. So, standardization or sole-source methods may be used with proper approvals. Reasonable levels of process and approvals should be established for: direct purchasing, thresholds for verbal quotes, written quotes, competitive bids, requests for proposals, processes for evaluation, the use of other governmental contracts established through a competitive process, standardization of equipment or infrastructure and sole-source methods.

B. General Provisions.

1. The Board of Trustees have designated the Chair to be the CAO.

2. The CAO has authority to approve and enter into and execute contracts on behalf of the District related to the acquisition and construction of the improvements, facilities, or property to be financed with District's bonds, consistent with Utah Code 17D-4- 301(6)(c); however, all legally binding contracts are to first be approved by the Board of Trustees.

3. Trustees shall follow the District's Conflict of Interest Policy in all procurement decisions.

4. Unless exempted based upon Utah Code 17D-4-301(6)(c), purchases and contracts are awarded on a competitive basis, based upon thresholds listed in this policy.

5. The District may make purchases from or participate in the state public procurement unit agreements and contracts, pursuant to the terms of those agreements and contracts, without soliciting additional procurement options.

6. The District will maintain the ethical behavior described in the Utah Public Officers' and Employees' Ethics Act (Utah Code 67-16) and avoid the following:

   a. Dividing a procurement to avoid using a standard procurement process.

   b. Kickbacks and gratuities.

   c. Failure to disclose conflicts of interest.

   d. Cost-plus-a-percentage-of-cost contracts.

   e. Some of the District's purchases may not be subject to sales tax. For vendors requiring documentation of tax-exempt status, a TC-712G Exemption Certificate for Governments may be provided by the District.

C. Purchases Other Than as Authorized by PID Statute. The District shall comply with the following for purchases that are outside the scope of Utah Code 17D-4-301(6)(c).

1. *Purchases up to $1,000.*00: All procurements of goods and services in an amount of $1,000.00 or less may be approved by the CAO, provided such procurements are budgeted within the District's budget.

2. *Purchases over $1,000.00 and up to $6,000.00*: All procurements of goods and services over $1,000.00 and up to $6,000.00 require a verbal quote from at least three service providers and that those goods and services have been approved by the CAO for the solicitation of those goods and services. The description of the goods and services will use terminology to allow the reviewer an understanding of what's being purchased and why.

3. *Purchases over $6,000.00 and up to $15,000*: All procurements of goods and services over $6,000.00 and up to $15,000.00 require a written quote from at least three service providers and that those goods and services have been approved by the CAO for the solicitation. The description of the goods and services will use terminology to allow the reviewer an understanding of what's being purchased and why.

4. *Purchases over $15,000.00*: All procurements of goods and services above $15,000.00 will be put out for competitive bid to be prepared and approved by the CAO. Purchases over $15,000.00 will have a written contract to be approved by the Board in an open and public meeting.

Article XV
Travel Policy

A. Travel Expenses. All travel expenses while conducting the District's business outside of fifty (50) miles from the administrative office may be paid by the District upon request of the traveling Trustee. Travel-related expenses include:

1. Costs to travel to and from the business destination.

2. Transportation costs while traveling conducting the District's business.

3. Lodging, meals, and incidental expenses.

B. Pre-Approval. All travel is required to be approved by the CAO prior to traveling and incurring travel-related expenses.

C. Documentation. After any travel expenses have been incurred, a Travel Reimbursement Form will be submitted outlining the reason for the trip and the specific travel expenses. The Travel Reimbursement Form must be signed by the individual who traveled and the CAO.

D. Transportation.

1. The District will generally purchase only coach-class tickets aboard a regularly scheduled commercial carrier for both domestic and international flights. Non-stop flights, while at times, more expensive, may be justified if alternative flights impose other costs than airfare, or require such circuitous routing that it is inconvenient for the individual. Individuals may retain for personal use promotional items, including frequent flyer miles, received during the course of a business trip if such items are obtained under the same conditions as those offered to the general public at no additional cost to the District.

2. The District owns no vehicles that may be used for business travel purposes. Personal vehicle use is allowed for the District's business purposes and will be reimbursed for milage in accordance with currently authorized IRS rate.

3. Alternative travel arrangements may be structured for travel and lodging to reduce costs or accommodate personal preferences if the alternatives provide cost savings or if the individual pays for the increased costs.

4. Rental cars may be obtained with prior approval from the CAO. Individuals traveling in a group to the same location for business are strongly encouraged to share rental vehicles where practical. Rental car agency liability and collision/loss damage coverage is required to be obtained at the District's expense.

E. Lodging. Travel that requires an overnight stay must be pre-approved by the CAO. The accommodations selected should be modestly priced for the city and state traveling to, but if the individual is attending a convention, they may book a room at the hotel where a conference is being held, in order to reduce other travel related costs or booking a room at a higher priced hotel due to a legitimate safety concern based upon location.

F. Travel-Related Meals.

1. Travel-related meals will be paid for meals (including tax, tips, and other meal related expenses) at the current State of Utah per diem rate. Per diem may be paid to individuals prior to leaving for their travel.

2. Individuals can use their personal credit card to pay for approved travel related meals. Individuals need to retain all receipts related to the purchases and submit them with a Travel Reimbursement Form.

G. Incidental Expenses: Incidental expenses are not considered part of the meal per diem reimbursement and must be documented on the Travel Reimbursement Form. Incidental expenses include: ground transportation, parking and related tips, fax, telephone, internet, copy charges, and other business-related expenses.

H. Personal Expenses: Personal expenses such as entertainment or alcohol are the responsibility of the individual and not reimbursable by the District.

I. Per Diem Reimbursement: If an individual receives per diem prior to traveling and does not travel on that trip, then the individual will return those funds to the District.

Article XVI
Miscellaneous Financial and Security Policies

A. Cash Receipting and Deposit Policy. As outlined in the Utah State Auditor's Cash Receipting and Deposit Policy Template Guide, "policies and procedures need to be adapted to the individual needs of entities in varying sizes and locations. Small organizations that do not have enough employees to segregate duties, compensating controls should considered such as having a member of the Board review transactions and trace them back to the source." The District is a small organization, does not have employees, and does not receive cash or credit card transactions. The Treasurer will receive all checks made payable to the District and deposit them in the District's operating account.

The Board of Trustees will update this policy in the event that the District needs to receive cash or credit card transactions.

B. Credit Card Policies and Procedures. It is the policy of the District not to issue or obtain any credit cards for any individuals related to the District's operations. If and when the District decides to obtain or issue a credit card to any individual(s) then the Board of Trustees shall first be required to adopt policies and procedures governing the issuance and use of credit cards.

C. Personal Use of the District's Assets. The District was organized for narrow purposes, and the District's only assets are related to the purpose of financing and construction of public infrastructure to be dedicated to the city for public use. The District has no employees, and all services are provided to the District by contracted parties. It is therefore not anticipated that any personal use of the District's assets will be possible or likely. In any event, the District's policy on use of the District's assets is that any personal use of the District's assets is prohibited.

D. IT and Computer Security Policy. The District is a small organization and does not have any employees, computers, network, email, or information technology (IT) network. In the event that the District was to hire employees and obtain computers or electronic devices for those employees, the Board of Trustees would first be required to adopt a policy addressing information technology, computer security, electronic device use, and acceptable internet use.

Article XVII
Reporting Fraud or Abuse; Fraud Risk Hotline

A. Improper Governmental Action. "Improper governmental action" is any action by a public entity's Trustee or employee as follows:

1. Action done while in their official duties, whether or not the action is within the scope of their Board responsibilities or employment; or

2. That is in violation of any federal, state, or local law, and is: an abuse of authority; of substantial and specific danger to the public health or safety; or a gross waste of public funds.

B. Reporting Fraud or Abuse.

1. Contractors who become aware of improper governmental actions should raise the issue with a Trustee. Trustees who become aware of improper governmental actions should raise the issue with the CAO. In the event a Trustee is involved, the issue should be taken up with the entire Board.

2. The CAO, Trustee, or Board will promptly take action to investigate the report. The District's Trustees will keep the identity of the reporting person confidential to the extent possible under the law, unless that person authorizes in writing the disclosure of their identity. After an investigation has been completed,

the person that reported the possible improper governmental action will be advised of a summary of the results of the investigation, except that personnel actions taken as a result of the investigation may be kept confidential.

C. Complaints, Investigations, Review, and Enforcement.

1. Any Trustee or employee may file a complaint alleging a violation of the policy.

2. The complaint will be in writing and signed by the complainant. The written complaint should list the nature of the alleged violation(s), date(s), time, and place of each occurrence, and the name of the person(s) accused with the violation(s). The complaint will be filed with the CAO. The CAO will provide a copy of the complaint to the person(s) alleged of the violation. The reporting person shall provide the CAO with all the available documentation or other evidence to show a reason for believing that a violation has taken place.

3. This policy is intended to weigh the rights of the person(s) alleging the fraud or abuse with those who are accused of the fraud and abuse. Anonymous complaints have the potential to subject the person(s) accused of the fraud or abuse to stress and embarrassment and potentially result in discipline and possible termination. The District is very reluctant to begin any investigations based upon an anonymous complaint due to the fact that evidence will be difficult to obtain and verify, and it will be impossible to assess the complainant's credibility.

4. The District reserves the right to decline to investigate any complaint that is made anonymously.

D. Fraud Risk Hotline Policy Statement.

1. By their very nature and makeup, Public Infrastructure Districts have no employees when they are created and outsource their legal, financial, and administrative functions. Even as Public Infrastructure District grows, they remain small and might only have a few employees, if any. The following policy is intended to bring accountability for the Board and its contracted service providers now and any potential employees in the future.

2. The District Hotline provides the ability for citizens, including public employees and contractors, to report improper governmental activities including:

a. Waste or misuse of public funds, property, or manpower

b. Violations of a law, rule, or regulation applicable to the government

c. Gross mismanagement

d. Abuse of authority

e. Unethical conduct.

E. Filing a Complaint. Complaints should be submitted in writing and provide any evidence that supports the complaint to the CAO. If the alleged complaint deals with the CAO, then the complaint should be submitted to another member of the Board and then brought to the full Board for consideration. Submitted information should include specifics as to 'who, what, where, when' as well as any other details that may be important such as information on other witnesses, documents, and pertinent evidence. Due to limited resources, the District is unable to accept complaints that are not supported by evidence or provide a means for the District to investigate the problem further.

F. Hotline Information. A complainant may contact a Trustee at the contact information provided publicly for Trustees on the Utah Public Notice website, https://utah.gov/pmn.

G. Review of Complaint.

1. After receiving a complaint, a review of the allegation(s) and any evidence provided will be preformed. Potential factors to be reviewed include:

a. Does the complaint involve actions by a person subject to the District's authority?

b. Were improper governmental activities involved?

2. Can the allegation(s) be effectively investigated?

3. Disagreements with management decisions or actions taken by elected officials that are within the law will not be investigated. Overly broad or vague complaints or complaints where evidence is unavailable may be declined.

4. This policy is intended to weigh the rights of the person(s) alleging the fraud or abuse with those who are accused of the fraud and abuse. Anonymous complaints have the potential to subject the person(s) accused of the fraud or abuse to stress and embarrassment and potentially result in discipline and possible termination. The District is very reluctant to begin any investigation based upon an anonymous complaint due to the fact that evidence will be difficult to obtain and verify, and it will be impossible to assess the complainant's credibility.

5. The District reserves the right to decline to investigate any complaint that is made anonymously.

H. Whistleblower Protection. Utah Code 67-21-3 prohibits public employers from taking adverse action against their employees for reporting in good faith government waste or violations of law to the appropriate authorities. A public entity employee, public body employee, legislative employee, or judicial employee, is presumed to have communicated in good faith if they have given written notice or otherwise formally communicated the conduct to the person in authority over the person alleged to have engaged in the illegal conduct.

I. Confidentiality. The identity of the complainant is considered protected information under the Utah Government Records Access and Management Act (GRAMA) and will be kept confidential if requested by the complainant. (See Utah Code Section 67-3-1(15)). Whistleblower protections do not apply to anonymous complaints.

Article XVIII
General Provisions

A. Calendar and Fiscal Year. The District will operate from January 1 to December 31 of each year.

B. Account Books, Minutes, and Records. The District will keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees. All books and records of the District may be inspected by any Trustee, for any proper purpose at any reasonable time.

C. Conveyances and Encumbrances. Property of the District may be assigned, conveyed, transferred, or encumbered only as authorized by the Board.

Article XIX
Amendments

These bylaws may be altered, amended, or repealed by a majority vote of the Board. New bylaws may be adopted by the Board at any regular or special meeting of the Board, called for such purpose. These bylaws will become effective at the time of their adoption by the Board of the District. Additional policies may be adopted by the Board without requiring amendment of these bylaws.

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These bylaws were approved and adopted by a majority vote of the Board at a public meeting held on the 25 day of March, 2025.

VERK INDUSTRIAL REGIONAL PUBLIC INFRASTRUCTURE DISTRICT

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Chair

ATTEST:

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Clerk