

STATE OF UTAH



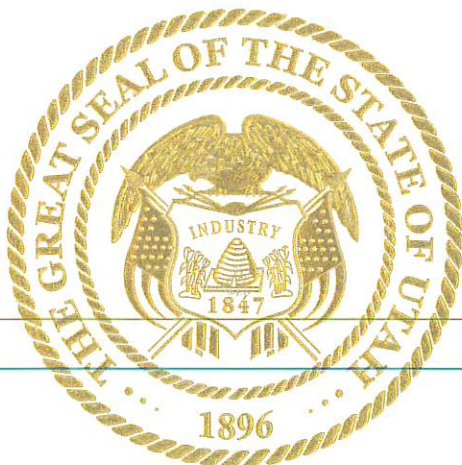
OFFICE OF THE LIEUTENANT GOVERNOR

CERTIFICATE OF INCORPORATION

I, Deidre M. Henderson, Lieutenant Governor of the State of Utah, hereby certify that there has been filed in my office a notice of incorporation for the ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT NO. 2 located in CITY OF SALEM, dated APRIL 3, 2024, complying with Section §17B-1-215, 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 incorporation, referred to above, on file with the Office of the Lieutenant Governor pertaining to the ARROWHEAD SPRING PUBLIC INFRASTRUCTURE DISTRICT NO. 2, located in UTAH COUNTY, State of Utah.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed the Great Seal of the State of Utah this 11th day of April, 2024 at Salt Lake City, Utah.



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

DEIDRE M. HENDERSON
Lieutenant Governor

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of the City of Salem, Utah (the "Council"), acting in its capacity as the creating entity for the Arrowhead Springs Public Infrastructure District No. 2 (the "District"), at a regular meeting of the Council, duly convened pursuant to notice, on April 3, 2024 adopted a *Resolution Providing for the Creation of a Public Infrastructure District*, a true and correct copy of which is attached as EXHIBIT "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 Utah County, Utah, is attached as EXHIBIT "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 3 day of Apr. 1, 2024.

**CITY COUNCIL, THE CITY OF SALEM, UTAH,
acting in its capacity as the creating authority for the
Arrowhead Springs Public Infrastructure District No. 2**

By: [Signature]
AUTHORIZED
REPRESENTATIVE

VERIFICATION

STATE OF UTAH)
)
) :ss.
)
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this 3 day of

April, 2024.

[Signature]
NOTARY PUBLIC

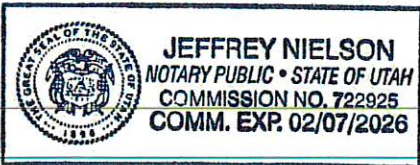


EXHIBIT "A" TO NOTICE OF BOUNDARY ACTION


Copy of the Creation Resolution

RESOLUTION No. 40324C

COPY

ROLL CALL

VOTING	YES	NO
KURT L CHRISTENSEN Mayor (votes only in case of tie)		
TIM De GRAW City Councilmember	(TD)	
KELLY PETERSON City Councilmember	KP	
CRISTY SIMONS City Councilmember	CS	
CYNTHIA DEVERAUX REES City Councilmember	CR	
PAUL TAYLOR City Councilmember		PT

I MOVE this resolution be adopted: 
City Councilmember

I SECOND the foregoing motion: C. Simons
City Councilmember

**AN RESOLUTION RE-APPROVING THE ARROWHEAD SPRINGS CREATION (PID)
PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

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 40324C

A RE-APPROVING RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF SALEM, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT NO. 2 ("DISTRICT NO. 2") AS AN INDEPENDENT BODY CORPORATE AND POLITIC; AUTHORIZING AND APPROVING AN AMENDED AND RESTATED GOVERNING DOCUMENT, AN AMENDED AND RESTATED INTERLOCAL AGREEMENT, AND A NOTICE OF BOUNDARY ACTION; DELEGATING TO CERTAIN OFFICERS OF THE CITY THE AUTHORITY TO EXECUTE AND APPROVE THE FINAL TERMS AND PROVISIONS OF THE GOVERNING DOCUMENT, THE INTERLOCAL AGREEMENT, THE NOTICE OF BOUNDARY ACTION AND ANY OTHER DOCUMENTS RELATED THERETO; APPROVING OF AN ANNEXATION AREA; AUTHORIZING DISTRICT NO. 2 TO PROVIDE SERVICES RELATING TO THE FINANCING AND CONSTRUCTION OF PUBLIC INFRASTRUCTURE WITHIN THE ANNEXATION AREA; AUTHORIZING DISTRICT NO. 2 TO PROVIDE SERVICES RELATING TO THE FINANCING AND CONSTRUCTION OF PUBLIC INFRASTRUCTURE WITHIN THE DISTRICT AREA; APPOINTING A BOARD OF TRUSTEES OF DISTRICT NO. 2; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, on December 13, 2023 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District Number 2 and approving a Governing Document and an Interlocal Agreement between the City and District No. 2; and

WHEREAS, Resolution 121323A was not submitted to the Lt. Governors Office within the 10 day period after approval; and

WHEREAS, A Re-approval resolution was created in order to meet the 10 day period to be submitted to the Lt. Governors Office and is presented in the following information; and

WHEREAS, on July 20, 2022 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District ("District No. 1" and together with District No. 2, the "Districts") and approving a Governing Document (the "Original Governing Document") and an Interlocal Agreement between the City and District No. 1 ("Original Interlocal"); and

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of District No. 2 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 the Districts may annex or withdrawal any portion of such area without further approvals or hearings of the City or the Council, as further described in Governing Document Exhibit A (as hereinafter defined) 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 the District (the "Property Owners"); 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 District be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, on December 13, 2023, the City held a public hearing to receive input from the public regarding the creation of District No. 2, and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, it is necessary to authorize the creation of District No. 2 under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, the Property Owners and District No. 1 have requested certain amendments to the Original Governing Document in connection with the creation of District No. 2; and

WHEREAS, the City and District No. 1 desire to amend the Original Governing Document and the Original Interlocal to exempt assessment debt from the limitation of the Governing Document, amend the improvements that may be financed by the Districts, and make additional changes in connection therewith; and

WHEREAS, pursuant to the PID Act, a governing document may be amended by resolutions adopted by the creating entity and the applicable district approving such amendment; and

WHEREAS, it is anticipated that hereafter District No. 1 will adopt a resolution approving the amendments contemplated herein and withdrawing property within District No. 2 from the boundaries of District No. 1; and

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

WHEREAS, the City posted notice of the public hearing as a Class B notice in accordance with Section 17B-1-211(1) of the Act; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the public hearing on the Petition; and

WHEREAS, each board 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 board member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a

board member of District No. 2 under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within District No. 2 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 an Amended and Restated Governing Document (the "Governing Document") attached hereto as Exhibit B and an Amended and Restated Interlocal Agreement between the City and the District, 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 attached hereto as Exhibit C (the "Boundary Notice") and a Final Entity Plat to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) with respect to District No. 2 (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 District, are hereby ratified, approved and confirmed.

2. District No. 2 is hereby created as a separate entity from the City in accordance with the Governing Document and the Act. The boundaries of District No. 2 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 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 the Districts 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 District without further request of the District 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 Original Governing Document and Original Interlocal are hereby amended and restated. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit C are hereby authorized and approved, and shall constitute the Governing Document and the Interlocal Agreement for the Districts, and the Districts shall be governed by the terms thereof and applicable law.

7. The District No. 2 Board is hereby appointed as follows:

(a) Trustee 1 – Matthew Lewis for an initial six -year term.

(b) Trustee 2 – Brian Bird for an initial four-year term.

(c) Trustee 3 – Aftyn Morrison for an initial six-year term.

(d) 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 District No. 2.

8. The Council does hereby authorize the Mayor or a Councilmember to execute the Boundary Notice in substantially the form attached as Exhibit C and such other documents as shall be required to finalize 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 District No. 2 by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Councilmember, or the City Manager 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 Board of Trustees of District No. 2 (the “District Board”) is hereby authorized and directed to record such Governing Document with the recorder of Utah County within 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 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 Councilmember, the City Attorney, or the City Manager.

PASSED AND ADOPTED by the City Council of the City of Salem, Utah, this April 3, 2024.

CITY OF SALEM, UTAH

By:

Kent L. Christensen
Mayor

ATTEST:

By:

JM Nail
City Recorder

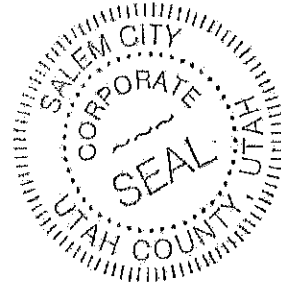




EXHIBIT "B" TO NOTICE OF BOUNDARY ACTION

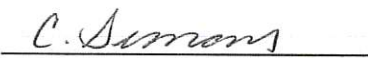
Final Local Entity Plat

RESOLUTION No. 40324C

ROLL CALL

VOTING	YES	NO
KURT L CHRISTENSEN Mayor (votes only in case of tie)		
TIM De GRAW City Councilmember		
KELLY PETERSON City Councilmember	KP	
CRISTY SIMONS City Councilmember	CS	
CYNTHIA DEVERAUX REES City Councilmember	CR	
PAUL TAYLOR City Councilmember		PT

I MOVE this resolution be adopted: 
City Councilmember

I SECOND the foregoing motion: 
City Councilmember

**AN RESOLUTION RE-APPROVING THE ARROWHEAD SPRINGS CREATION (PID)
PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

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 40324C

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WHEREAS, on December 13, 2023 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District Number 2 and approving a Governing Document and an Interlocal Agreement between the City and District No. 2; and

WHEREAS, Resolution 121323A was not submitted to the Lt. Governors Office within the 10 day period after approval; and

WHEREAS, A Re-approval resolution was created in order to meet the 10 day period to be submitted to the Lt. Governors Office and is presented in the following information; and

WHEREAS, on July 20, 2022 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District ("District No. 1" and together with District No. 2, the "Districts") and approving a Governing Document (the "Original Governing Document") and an Interlocal Agreement between the City and District No. 1 ("Original Interlocal"); and

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of District No. 2 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 the Districts may annex or withdrawal any portion of such area without further approvals or hearings of the City or the Council, as further described in Governing Document Exhibit A (as hereinafter defined) 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 the District (the "Property Owners"); 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 District be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, on December 13, 2023, the City held a public hearing to receive input from the public regarding the creation of District No. 2, and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, it is necessary to authorize the creation of District No. 2 under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, the Property Owners and District No. 1 have requested certain amendments to the Original Governing Document in connection with the creation of District No. 2; and

WHEREAS, the City and District No. 1 desire to amend the Original Governing Document and the Original Interlocal to exempt assessment debt from the limitation of the Governing Document, amend the improvements that may be financed by the Districts, and make additional changes in connection therewith; and

WHEREAS, pursuant to the PID Act, a governing document may be amended by resolutions adopted by the creating entity and the applicable district approving such amendment; and

WHEREAS, it is anticipated that hereafter District No. 1 will adopt a resolution approving the amendments contemplated herein and withdrawing property within District No. 2 from the boundaries of District No. 1; and

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

WHEREAS, the City posted notice of the public hearing as a Class B notice in accordance with Section 17B-1-211(1) of the Act; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the public hearing on the Petition; and

WHEREAS, each board 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 board member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a

board member of District No. 2 under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within District No. 2 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 an Amended and Restated Governing Document (the "Governing Document") attached hereto as Exhibit B and an Amended and Restated Interlocal Agreement between the City and the District, 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 attached hereto as Exhibit C (the "Boundary Notice") and a Final Entity Plat to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) with respect to District No. 2 (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 District, are hereby ratified, approved and confirmed.

2. District No. 2 is hereby created as a separate entity from the City in accordance with the Governing Document and the Act. The boundaries of District No. 2 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 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 the Districts 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 District without further request of the District 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 Original Governing Document and Original Interlocal are hereby amended and restated. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit C are hereby authorized and approved, and shall constitute the Governing Document and the Interlocal Agreement for the Districts, and the Districts shall be governed by the terms thereof and applicable law.

7. The District No. 2 Board is hereby appointed as follows:

(a) Trustee 1 – Matthew Lewis for an initial six -year term.

(b) Trustee 2 – Brian Bird for an initial four-year term.

(c) Trustee 3 – Aftyn Morrison for an initial six-year term.

(d) 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 District No. 2.

8. The Council does hereby authorize the Mayor or a Councilmember to execute the Boundary Notice in substantially the form attached as Exhibit C and such other documents as shall be required to finalize 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 District No. 2 by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Councilmember, or the City Manager 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 Board of Trustees of District No. 2 (the “District Board”) is hereby authorized and directed to record such Governing Document with the recorder of Utah County within 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 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 Councilmember, the City Attorney, or the City Manager.

PASSED AND ADOPTED by the City Council of the City of Salem, Utah, this April 3, 2024.

CITY OF SALEM, UTAH

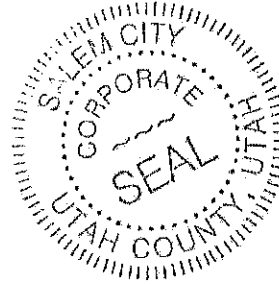
By:

Kent L. Christensen
Mayor

ATTEST:

By:

JM Nail
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: Kent L. Christensen
Mayor

ATTEST:

By: [Signature]
City Recorder



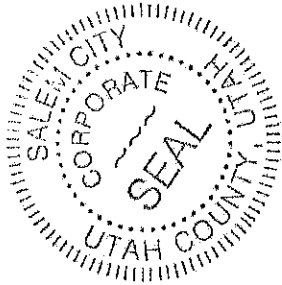
STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, Jeffrey Nielson, the undersigned duly qualified and acting City Recorder of the City of Salem, 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 April 3, 2024, commencing at the hour of 7:00 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 April 3, 2024.



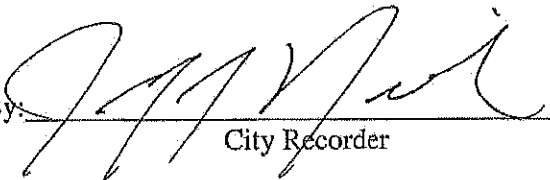
By: 
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Jeffrey Neilson, the undersigned City Recorder of the City of Salem, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the April 3, 2024, public meeting held by the City Council (the "Council") as follows:

(a) By 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;

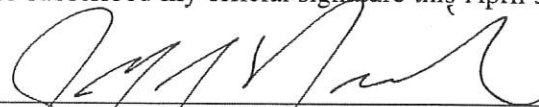
(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted to the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the City's official website 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 (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Council to be held during the year, by causing said Notice to be posted at least annually (a) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (b) on the City's official website and (c) in a public location within the City that is reasonably likely to be seen by residents of the City.

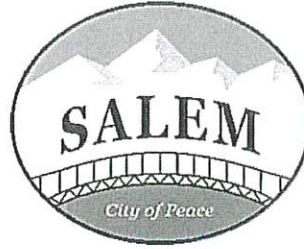
IN WITNESS WHEREOF, I have hereunto subscribed my official signature this April 3, 2024.



By: 
City Recorder

SCHEDULE 1

NOTICE OF MEETING AND AGENDA



Salem City Council Meeting will also be held electronically, using the Zoom program.
If you would like to participate, please call the city offices (801-423-2770) or email
(salemcity@salemcity.org) before 5:00 p.m. on Wednesday, April 3rd to request the link.

DATE: April 3, 2024 (City Council Chamber 30 West 100 South)

5:30 p.m.

Work Session

1. Senator Mike McKell
2. Fieldstone Homes – Cold Water Creek Development
3. NS PID (New Salem development)
4. Field Estates PID (Salem Fields development)
5. Agenda Item's Discussion

7:00 p.m.

AGENDA – REGULAR COUNCIL MEETING

1. Volunteer Motivational/Inspirational Message
2. Invitation to Say Pledge of Allegiance
3. Swearing In Police Officer
4. Youth Council Report
5. SF / Salem Chamber Report
6. Public Hearing
 - a. Zone Change - Alan Curtis R-5, C-1 to R-8 (Approx. 460 W 1710 N)
 - b. Field Estates Public Infrastructure District (Salem Fields development)
 - c. NS Public Infrastructure District (New Salem development)
7. Decision: Zone Change - Alan Curtis R-5, C-1 to R-8 (Approx. 460 W 1710 N)
8. Decision: Field Estates Public Infrastructure District (Salem Fields development)
9. Decision: NS Public Infrastructure District (New Salem development)
10. Decision: Reapproving Resolution – Arrowhead Springs PID District 2
11. Citizen Request: Michael and Susan Morris
12. Decision: UDOT Signal Cost Sharing Agreement (SR-164/1400 W/770 W)
13. Decision: Updating Salem City Cemetery Rules & Regulations
14. Decision: Meeting Minutes of March 6, 2024
15. Decision: Bills for Payment

DIRECTORS REPORTS

16. Chief Brad James, Public Safety Dept.
17. Steve Cox, Building Dept.
18. Walter Bird, Attorney
19. Jeffrey Nielson, Finance/Recorder
20. Matt Marziale, Manager
21. Adam Clements, Electrical Dept.
22. Bradey Wilde, Engineering Dept.
23. John Bowcut, Fiber Dept.

In compliance with the A.D.A., individuals needing special accommodations during this meeting should notify the Salem City Office at 30 W. 100 S. or call (801)423-2770 at least three working days prior to meeting.

COUNCIL REPORTS

24. Mayor Kurt L. Christensen
 - a. Finances/Budget
 - b. City Employees
 - c. Miss Salem
 - d. UMPA Report
 - e. Public Safety

25. Councilperson Kelly Peterson
 - a. Power
 - b. Fiber
 - c. SUVPS Report

26. Councilperson Cristy Simons
 - a. Parks & Recreation
 - b. Chamber of Commerce
 - c. Youth Council

27. Councilperson Cynthia Deveraux Rees
 - a. Library
 - b. Solid Waste/Recycling

28. Councilperson Paul Taylor
 - a. Water (Primary & Secondary)
 - b. Mt Nebo & SUVMWA

29. Councilperson Tim De Graw
 - a. Sewer
 - b. Storm Drain
 - c. Roads & Trails

30. CLOSED SESSION -The Salem City Council may temporarily recess the regular meeting and convene in a closed session to discuss pending or reasonably imminent litigation; the purchase, exchange, or lease of real property or water; or to discuss the character, professional competence or physical or mental health of an individual as provided by Utah Code Annotated §52-4-205.

Please Note: If you have an item that you would like to have discussed before the City Council, please fill out a request form, which is available online at salemcity.org or at the City Office, and return it to the City Office by 5:00 p.m. the Thursday prior to the meeting you would like to attend.

In compliance with the A.D.A., individuals needing special accommodations during this meeting should notify the Salem City Office at 30 W. 100 S. or call (801)423-2770 at least three working days prior to meeting.

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

Mayor
Kurt L. Christensen



Salem City Corporation

"City of Peace"

City Council
Tim De Graw
Kelly Peterson
Cristy Simons
Delys Snyder
Seth Sorenson

SALEM CITY COUNCIL MEETING 2024

COUNCIL MEETINGS WILL BE HELD ON THE FIRST AND THIRD WEDNESDAYS OF EACH MONTH, EXCEPT FOR DECEMBER WHEN ONLY ONE MEETING WILL BE HELD. ALL COUNCIL MEETINGS WILL BEGIN AT 7:00 P.M. WITH WORK SESSIONS BEING HELD PRIOR TO THE REGULAR MEETINGS. THEY WILL BE HELD IN THE SALEM CITY OFFICE BUILDING, COUNCIL CHAMBERS, 30 WEST 100 SOUTH

CALENDAR

JANUARY 3, 2024
JANUARY 17, 2024

FEBRUARY 7, 2024
FEBRUARY 21, 2024

MARCH 6, 2024
MARCH 20, 2024

APRIL 3, 2024
APRIL 17, 2024

MAY 1, 2024
MAY 15, 2024

JUNE 5, 2024
JUNE 19, 2024

JULY 3, 2024
JULY 17, 2024

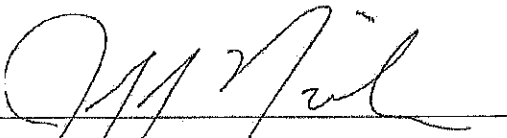
AUGUST 7, 2024
AUGUST 21, 2024

SEPTEMBER 4, 2024
SEPTEMBER 18, 2024

OCTOBER 2, 2024
OCTOBER 16, 2024

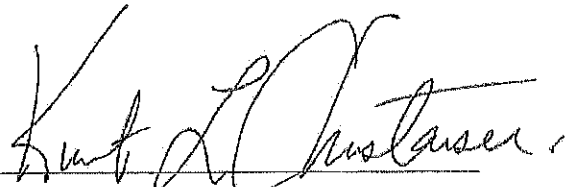
NOVEMBER 6, 2024
NOVEMBER 20, 2024

DECEMBER 11, 2024



JEFFREY D. NIELSON, CITY RECORDER

Approved November 1, 2023



KURT L. CHRISTENSEN, MAYOR

EXHIBIT B
GOVERNING DOCUMENT

**AMENDED AND RESTATED GOVERNING DOCUMENT
FOR
ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT AND
ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SALEM CITY, UTAH**

March 6, 2024

Prepared by:
Gilmore & Bell, P.C.
Salt Lake City, Utah

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LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Salem City Vicinity Map
EXHIBIT C	District Boundary Maps
EXHIBIT D	Public Improvements and Park Improvements
EXHIBIT E	Interlocal Agreement between the District and Salem City
EXHIBIT F	Required Notice for Sales and Leasing Offices

I. INTRODUCTION

A. Purpose and Intent.

On July 20, 2022, the City Council of the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District (“District No. 1”) under the PID Act and the Special District Act. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District on September 1, 2022. Subsequent to the creation of District No. 1, the City adopted a resolution creating Arrowhead Public Infrastructure District No. 2 (“District No. 2”) and authorizing this Amended and Restated Governing Document.

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 manner 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.

This Governing Document is an amended version of the governing document originally approved by the City and is intended by the City and the Districts to supersede and replace any prior version of the District’s Governing Document.

The City’s objective in approving this amended 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. All Debt is expected to be repaid by taxes imposed and collected by each respective District 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 is to provide for the Public Improvements associated with development and regional needs. Although the Districts have authority to directly provide public improvements, the Districts also have the authority to pledge tax revenues to an interlocal entity that provides public improvements.

It is the intent of the Districts to 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. It is the intent of this Governing Document to assure to the extent possible that, exclusive of Assessments, 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.

D. Applicability.

This Governing Document is not intended to and does not create any rights in favor of any party other than the City. The failure of the Districts to comply with any terms or conditions of this Governing Document shall not relieve any property owner of an obligation to pay taxes, Assessments, Fees other charges that are adopted or imposed 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: for each District, means all properties which are within the Initial District Boundaries of District No. 1, and within the District Boundaries of either District following creation of District No. 2, plus that portion of parcel 25:061:0039 currently within unincorporated Utah County, Utah, which collectively have been approved by the City for annexation into or withdrawal from one or more of the Districts upon the meeting of certain requirements.

Assessment: means (i) the levy of an assessment secured by a lien on property within a District to pay for the costs of Public Improvements benefitting such property or (2) an assessment by a District levied on private property within such District to cover the costs of an energy efficient upgrade, a renewable energy system, or an electric vehicle charging infrastructure, each as may be levied pursuant to the Assessment Act.

Assessment Act: means collectively, (i) Title 11, Chapter 42, Utah Code as may be amended from time to time and (ii) the C-PACE Act.

Assessment Debt: means Bonds, for the payment of which the Districts have promised to collect Assessments.

Board: means the board of trustees of the Districts.

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

City: means Salem City, Utah.

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

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

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.

Developer: means Gecko Grey, LLC, a Utah limited liability company, and its affiliates and successors and assigns.

Development Agreement: means that 2nd Amended and Restated Development Agreement for the Arrowhead Springs Master Planned Development dated March 6, 2024, between the City and Developer, as may thereafter be amended from time to time.

District: means any one of the Arrowhead Springs Public Infrastructure District and Arrowhead Public Infrastructure District No. 2.

District Act: means, collectively, the PID Act and the Special District Act.

District No 1: means the Arrowhead Springs Public Infrastructure District.

District No. 2: means the Arrowhead Springs Public Infrastructure District No. 2.

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

District Area: for each District, means the property within the District Boundary Map for that District, and the property within the Annexation Area for that District.

District Boundaries: For each District, means the boundaries of the area described for that District in the District Boundary Map.

District Boundary Map: means the maps attached hereto as **Exhibit C**, describing the District Boundaries for the Districts. For District No. 2, the District Boundary depicted in the District Boundary Map is also the Initial District Boundary. Following the approval of this Governing Document and the associated creation of District No. 2, District No. 1 will approve the withdrawal of appropriate properties from the Initial District Boundary of District No. 1 to ensure they do not overlap, and to establish the District Boundary of District No. 1 consistent with the legal description in **Exhibit A** attached.

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 and/or repayment of Assessments. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The owner of any property within the Districts as of the effective date of this Governing Document, any successor or assign of such owners to the title of such property for the purposes of development, and any business entity that constructs homes or commercial structures is not an End User.

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

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 the Districts 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 Board in accordance with applicable state law.

Initial District Boundaries: For District No. 1, means the boundaries originally approved for District No. 1 at the time of its creation by the City. For District No. 2, means the District Boundaries for District No. 2, or the boundaries of the area described for District No. 2 in the District Boundary Map. Following the approval of this Governing Document and the associated creation of District No. 2, District No. 1 will approve the withdrawal of appropriate properties from the Initial District Boundary of District No. 1 to ensure they do not overlap, and to establish the District Boundary of District No. 1 consistent with the legal description in **Exhibit A** attached.

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. Proceeds of Limited Tax Debt will be used as contemplated in the Development Agreement.

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 individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the Districts.

Other Improvements: means all other Public Improvements, exclusive of the Park Improvements.

Project: means the development or property commonly referred to as Arrowhead Springs.

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

Park Improvements: means those improvements specified in **Exhibit D** as Park Improvements (as may be modified and shall be more fully set forth in the Development Agreement).

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 District Act, as specifically limited in Section V below and outlined in **Exhibit D** (including but not limited to those Park Improvements as may be modified and shall be more fully set forth in the Development Agreement) to serve the future taxpayers and inhabitants of the District Area, including those Park Improvements that shall be set forth in the Development Agreement, and any Other Improvements.

Special District Act: means Title 17B of the Utah Code, as amended from time to time.

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.

Trustee: means a member of the Board.

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

III. BOUNDARIES

The area of the District Boundaries includes approximately 97,177 acres in District No. 1 and 169.23 acres in District No. 2. The area proposed to be included in the Annexation Area Boundaries of each District is any area within the Initial District Boundaries of District No. 1, and within the District Boundaries of either District following creation of District No. 2, being approximately 266,407 acres, plus that portion of parcel 25:061:0039 currently within unincorporated Utah County, Utah. A legal description of the District Boundaries and the Annexation Area is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries and Annexation Area is attached hereto as **Exhibit C**. Following the approval of this Governing Document and of creation of District No. 2, District No. 1 will approve the withdrawal of appropriate properties from the Initial District Boundary of District No. 1 to ensure they do not overlap, and to establish the District Boundary of District No. 1, consistent with the legal description provided in **Exhibit A**. It is anticipated that the Districts' boundaries may change from time to time as they undergo annexations and withdrawals pursuant to Section 17D-4-201, Utah Code, subject to Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The District Area consists of approximately 266,407 acres of mostly undeveloped land. The current assessed valuation of the District Area at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. Upon build out, the District Area is anticipated to contain approximately 1,462 residential units.

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 the Development Agreement.

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 Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. **Improvements.** 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, as such power and authority is described in the District Act and other applicable statutes, common law and the Constitution, subject to any limitations set forth herein or in the Development Agreement. The Districts shall dedicate the Public Improvements to the City or other appropriate public entity in a manner consistent with the rules and regulations of the City and applicable

provisions of the City Code. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

(a) Park Improvements. Notwithstanding the foregoing, the Districts shall ensure that the financing of the Park Improvements are accomplished in accordance with the timing and/or milestones described in the Development Agreement.

(b) Other Improvements. The Districts are also authorized to fund the planning and design of Other Improvements in addition to the Park Improvements described in the Development Agreement, and independent of the development milestones set forth in the Development Agreement.

~~The Districts shall be permitted to pay for Public Improvements permitted herein irrespective of any increase or decrease in the actual cost, provided that the Districts comply with this Section V and other requirements of this Governing Document, including but not limited to the debt limit provided in Section V.A(8) and the maximum property tax mill levy provided in Section VIII.C.~~

(c) Commencement of Construction of Park Improvements. Construction of the Park Improvements must commence in accordance with the timeline proposed in the Development Agreement.

(d) Reimbursement for Improvements. Any impact fee reimbursements or credits which become available due to the financing of Public Improvements by the Districts shall be for the benefit of the Districts and not any developer. The specifics of the scope and availability of impact fee reimbursements shall be reserved and will be addressed in an interlocal agreement between the City and the Districts.

(e) Ownership of Improvements. Notwithstanding the provisions of this Section V.A.1, without written authorization of the City, the Districts shall not be authorized to finance the costs of any improvements or facilities which are to be ultimately owned by the Districts.

2. Construction Standards Limitation. The Districts will ensure that the Park Improvements are designed and constructed in accordance with the Development Agreement, and will ensure that the Other Improvements are designed and constructed in accordance with the customary 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 for Other Improvements, and will obtain applicable permits for construction and installation of Public Improvements, prior to performing such work.

3. Procurement. ~~The Districts shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the Districts may acquire or reimburse for completed or partially completed improvements for fair market value as reasonably determined~~

by a surveyor or engineer that is selected or approved in writing by the City (which may include a surveyor or engineer employed by the City).

4. Privately Placed Debt Limitation. 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. 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. Such area may only be annexed upon 1) for any property not currently in the boundaries of the City, annexation of such parcel into the City or adoption of a resolution of the County approving such annexation into the District, and 2) the 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 the Board approving such annexation.

(b) The City, by approval of this Governing Document, has consented to the annexation or withdrawal of any area within the District Boundaries from one or more of the Districts. Such area may only be annexed or 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 requirements of the PID 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.5(a) and (b) shall not constitute an amendment of this Governing Document.

6. Overlap Limitation. The boundaries of the Districts (and any other public infrastructure district organized under the PID Act) 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 applicable Districts. Following the approval of this Governing Document and of creation of District No. 2, the property comprising the Initial District Boundary of District No. 2

will be withdrawn from the Initial District Boundary of District No. 1 to ensure the Districts do not overlap.

7. Initial Debt Limitation. On or before the effective date of approval by the City of the Development Agreement, 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.

8. Total Debt Issuance Limitation. The Districts shall not issue Limited Tax Debt in excess of an aggregate amount of Forty-Five Million Dollars (\$45,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of Debt by the Districts. In addition, this limitation does not apply to a District's pledge of its property tax revenues to the Debt of the other District. Any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the Districts may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act. Net proceeds of Limited Tax Debt will be used as contemplated in the Development Agreement.

9. 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 nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

(c) 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. Eminent Domain. The Districts shall not exercise eminent domain or utilize any funds of the Districts to support any eminent domain action or proceeding unless (i) the public improvements for which eminent domain is proposed are permitted under this Governing Document, the Development Agreement, or separate agreement of the City and (ii) their location complies with a master infrastructure plan, the Development Agreement, or similar plans of the City or the applicable service provider.

11. Governing Document Amendment Requirement

(a) This Governing Document has been designed with sufficient flexibility to enable the Districts to provide the Public Improvements under evolving circumstances without the need for numerous amendments. Actions of the Districts which violate the limitations set forth in V.A.1-8 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 resolutions of the City and the Districts approving such amendment.

B. Preliminary Engineering Survey.

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 Ninety Million Dollars (\$90,000,000).

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 the Park Improvements shall be in accordance with the requirements of the Development Agreement. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

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. Trustees 1, 2, and 3 shall initially be at large. Trustee terms shall be staggered with initial terms as follows: Trustee 2 shall serve an initial term of 4 years; Trustees 1 and 3 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 the Districts.

B. Transition to Elected Board. At the time of annexation of property into a District, such District shall estimate the total number of residential units within the District at full buildout of the property within the District (the "Anticipated Units"). Upon any annexation or withdrawal in accordance with this Governing Document, any affected District may adjust its Anticipated Units to reflect such boundary change. The respective board seats for the District Boards with residential property shall transition from appointed to elected seats according to the following milestones:

Trustee 1. Trustee 1 shall transition to an elected seat after the end of a full term during which 50% of the Anticipated Units have received certificates of occupancy.

Trustee 2. Trustee 2 shall transition to an elected seat after the end of a full term during which 75% of the Anticipated Units have received certificates of occupancy.

Trustee 3. Trustee 3 shall transition to an elected seat after the end of a full term during which 90% of the Anticipated Units have received certificates of occupancy.

No transition pursuant to this Section on the basis of the number of building permits issued shall become effective until the next scheduled regular election of the Districts. Seats set to transition on January 1 of a given year shall hold an election for such seats at the regular election immediately preceding such January 1.

C. 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 at the next municipal election 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 Special District Act.

D. Vacancy. Any vacancy on the Board shall be filled pursuant to the Special District Act.

E. Compensation. Only Trustees who are residents of the Districts may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

F. 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. RESERVED

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 its 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 from revenues derived from the Maximum Debt Mill Levy within the Maximum Debt Mill Levy Imposition Term, Assessments, impact fees remitted by the City, and other legally available revenues. The total Limited Tax Debt that the Districts shall be permitted to issue shall not exceed Forty-Five Million Dollars (\$45,000,000) 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 Debt issued to refund a prior issuance of Debt by the Districts shall not count against the permitted total Debt. In addition, this limitation does not apply to a District's pledge of its property tax revenues to the Debt of the other District. In addition, any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act. Proceeds of Limited Tax Debt will be used as contemplated in the Development Agreement. All Bonds and other Debt issued by the Districts may be payable from any and all legally available

revenues of the Districts, including without limitation general ad valorem taxes to be imposed upon all Taxable Property within the Districts, impact fees, 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 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 fifteen percent (15%). 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; Prepayment of Assessments.

(a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of Limited Tax Debt and administrative expenses and such maximum shall be 0.006 per dollar of taxable value of taxable property in the Districts; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. 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.

(b) All Assessments (other than C-PACE Assessments) imposed by any District on a parcel zoned for residential uses shall be prepaid at or before the time such parcel is conveyed to an End User. In the event the Developer or other initial seller of property within a District intends to pass on Assessments to a party that is not a residential End User, the Developer shall obtain, or cause the seller to obtain, a signed acknowledgement of such purchaser stating the amount of Assessments being passed on. Any C-PACE Assessments may be repayable in accordance with the provisions of such act.

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 first date of imposition of the mill levy for 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 as a primary source of revenue for repayment of debt service. The Districts shall also pledge any impact fees remitted by the City for the 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 power to assess Assessments, penalties, or 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) The Districts 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, Assessment, or impact fee. This provision shall not prohibit the division of costs between mill levies, Assessments, or impact fees, but is intended to prevent double taxation of End Users for the costs of Public Improvements. For the avoidance of doubt, the payment of an impact fee which is remitted to a District to be applied to the payment of Debt does not violate this provision.

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 Districts authorizing the issuance of this Bond and in the Governing Document for creation of the Districts.~~

~~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 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 for each District 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 Districts 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. The Districts have agreed to utilize the City's counsel, 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. The foregoing requirement may be waived in writing by the City.

IX. ANNUAL REPORT

A. General.

Each of the Districts shall be responsible for submitting an annual report to the City Manager's Office no later than 180 days following the end of such District's fiscal year.

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 December 31 of the prior year.
2. List of current interlocal agreements, if changed (to be delivered to the City 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;
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 Public Improvements as of the last day of the prior fiscal year;
7. Status of the District's construction of the Public Improvements as of last day of the prior fiscal 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 including a description of the Public Improvements to be constructed in such year;

11. The District's financial statements, for the previous fiscal year, such statements shall be audited if required pursuant to State law or relevant bond documents (such statements shall be submitted within 30 days of completion if completed after 180 days following the end of the fiscal year);

12. Notice of any uncured events of default by the District, which continue beyond a 90 day period, under any Debt instrument; and

13. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90 day period.

X. DISSOLUTION

Upon an independent determination of a Board that the purposes for which the District was created have been accomplished, such District agrees to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until such District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

XI. DISCLOSURE TO PURCHASERS; ANNUAL NOTICE

A. Record Notice. Within thirty (30) days of the issuance of a certificate of incorporation by the Office of the Lieutenant Governor of the State, the Board shall record a notice with the recorder of Utah County. 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. A copy of the notice shall further be provided to the City.

B. Disclosure to Purchasers.

1. The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information prior to entering into any purchase contract or lease or acceptance of any deposit relating to such residential or commercial property with initial resident homeowners or commercial property owners and/or commercial tenants, as applicable:

(1) All of the information in the first paragraph of this XI.A.;

(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-colored page of the applicable closing documents and shall require a signature of such purchaser acknowledging the foregoing.

2. The Developer and the Board shall ensure that the Developer, homebuilders, and commercial developers, and commercial lessors, as applicable post a notice, in the same form and size (or larger) as the form attached as **Exhibit F** in a conspicuous area on bright-colored paper within all model homes and sales offices within the Districts.

3. The Developer shall obligate any homebuilder, commercial developer, or bulk lot purchaser to provide the notices contained in 1 and 2 above as part of any purchase agreement to such homebuilder, commercial developer, or bulk lot purchaser.

C. Annual Notice. On or before July 15 of each year, commencing July 15, 2024, the Districts shall mail, post on the website of the Districts, or post on the Utah Public Notice website, a notice to all owners of property within the boundaries of the Districts a notice providing:

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

“Under the maximum property tax rate of the Districts, 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.”

- (2) The applicable tax rate of the Districts for the then current year;
- (3) That budgets and financial information for the Districts may be found on the State Auditor’s Website (currently <https://reporting.auditor.utah.gov/searchreports/s/>); and
- (4) Contact information for members of the board.

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 E**. The Districts shall approve the Interlocal Agreement in the form attached as **Exhibit E** at a duly organized Board meeting. Failure of the Districts to execute the Interlocal Agreement as required herein shall constitute a material modification and shall require a Governing Document Amendment. The City Council approved the Interlocal Agreement in the form attached as **Exhibit E** at the public hearing approving the Governing Document. In the event of any conflict between the provisions of this Governing Document and the Interlocal Agreement, this Governing Document shall control.

EXHIBIT A

Legal Descriptions

DISTRICT BOUNDARY LEGAL DESCRIPTION

Note: The current boundary of District No. 1 is the Initial District Boundary previously approved at creation. Following approval of this Governing Document, District No. 1 will withdraw property necessary to reduce its District Boundary to the legal description set forth below.

District No. 1

A PARCEL OF LAND SITUATE IN THE SOUTH HALF OF SECTION 34 TOWNSHIP 8 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED 93.10 FEET S 89°47'28" W ALONG THE SECTION LINE FROM W ALONG THE SECTION LINE FROM THE SOUTHEAST CORNER OF SAID SECTION 34, AND RUNNING THENCE S 89°47'28" W FOR A DISTANCE OF 1395.05 FEET, THENCE N 00°46'35" E FOR A DISTANCE OF 170.90 FEET, THENCE N 33°38'49" W FOR A DISTANCE OF 122.55 FEET, THENCE N 26°18'32" W FOR A DISTANCE OF 49.30 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 30°18'14", HAVING A RADIUS OF 357.00 FEET, AND WHOSE LONG CHORD BEARS N 15°09'03" W FOR A DISTANCE OF 186.63 FEET, THENCE N 00°00'04" E FOR A DISTANCE OF 93.90 FEET TO THE BEGINNING OF A CURVE, THENCE ALONG SAID CURVE TURNING TO THE LEFT THROUGH AN ANGLE OF 89°59'55", HAVING A RADIUS OF 16.00 FEET, AND WHOSE LONG CHORD BEARS N 44°59'53" W FOR A DISTANCE OF 22.63 FEET, THENCE N 89°59'50" W FOR A DISTANCE OF 827.29 FEET TO THE BEGINNING OF A CURVE, THENCE ALONG SAID CURVE TURNING TO THE LEFT THROUGH AN ANGLE OF 14°21'45", HAVING A RADIUS OF 808.00 FEET, AND WHOSE LONG CHORD BEARS S 82°49'17" W FOR A DISTANCE OF 202.01 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE S 75°27'25" W FOR A DISTANCE OF 5.17 FEET, THENCE S 73°26'51" W FOR A DISTANCE OF 111.37 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 16°31'38", HAVING A RADIUS OF 344.39 FEET, AND WHOSE LONG CHORD BEARS S 81°29'17" W FOR A DISTANCE OF 99.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE S 89°40'01" W FOR A DISTANCE OF 71.68 FEET, THENCE N 00°23'52" W FOR A DISTANCE OF 2059.24 FEET, THENCE N 89°41'47" E FOR A DISTANCE OF 841.10 FEET, THENCE N 00°06'13" W FOR A DISTANCE OF 25.68 FEET, THENCE N 89°36'46" E FOR A DISTANCE OF 534.36 FEET, THENCE S 00°00'04" W FOR A DISTANCE OF 1856.91 FEET, THENCE N 89°59'38" E FOR A DISTANCE OF 232.01 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE LEFT THROUGH AN ANGLE OF 38°14'44", HAVING A RADIUS OF 43.02 FEET, AND WHOSE LONG CHORD BEARS N 72°49'37" E FOR A DISTANCE OF 28.19 FEET TO A POINT OF INTERSECTION WITH A NON-

TANGENTIAL LINE, THENCE N 55°58'00" E FOR A DISTANCE OF 901.08 FEET, THENCE N 55°55'14" E FOR A DISTANCE OF 240.98 FEET, THENCE S 34°14'12" E FOR A DISTANCE OF 348.06 FEET, THENCE N 55°37'07" E A DISTANCE OF 61.93 FEET, THENCE S 34°22'51" E FOR A DISTANCE OF 61.47 FEET, THENCE S 00°34'26" E FOR A DISTANCE OF 591.54 FEET, THENCE S 00°15'58" E FOR A DISTANCE OF 517.45 FEET TO THE POINT OF BEGINNING

SAID PARCEL CONTAINS 99.29 ACRES (4,324,922 SQ. FT.).

District No. 2

PARCEL 1

A PARCEL OF LAND SITUATE IN THE SOUTH WEST QUARTER OF SECTION 35 TOWNSHIP 8 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED 1627.18 FEET N 01°17'02" W ALONG THE SECTION LINE AND 602.59 FEET EAST FROM THE SOUTHWEST CORNER OF SAID SECTION 35, AND RUNNING THENCE N 34°24'32" W FOR A DISTANCE OF 189.67 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 18°20'58", HAVING A RADIUS OF 205.93 FEET, AND WHOSE LONG CHORD BEARS N 26°39'31" W FOR A DISTANCE OF 65.67 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE N 89°35'40" W FOR A DISTANCE OF 138.94 FEET, THENCE N 00°20'18" E FOR A DISTANCE OF 284.45 FEET, THENCE N 45°27'02" E FOR A DISTANCE OF 158.73 FEET, THENCE N 44°32'58" W FOR A DISTANCE OF 160.30 FEET, THENCE N 00°13'14" E FOR A DISTANCE OF 282.44 FEET, THENCE N 89°23'47" E FOR A DISTANCE OF 241.00 FEET, THENCE S 00°36'13" E FOR A DISTANCE OF 49.50 FEET, THENCE N 89°23'47" E FOR A DISTANCE OF 660.00 FEET, THENCE N 00°36'13" W FOR A DISTANCE OF 49.50 FEET, THENCE N 89°23'47" E FOR A DISTANCE OF 594.00 FEET, THENCE S 33°21'42" E FOR A DISTANCE OF 65.66 FEET, THENCE S 23°22'41" E FOR A DISTANCE OF 97.49 FEET, THENCE S 55°52'25" W A DISTANCE OF 1251.30 FEET, THENCE S 55°46'27" W FOR A DISTANCE OF 316.55 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 21.42 ACRES (932,907 SQ. FT.).

LESS THAT PORTION OF LAND CONVEYED TO UTAH COUNTY DESCRIBED IN A WARRANTY DEED, ENTRY 128228:2022 ON FILE IN THE OFFICE OF THE UTAH COUNTY RECORDER.

SAID PORTION OF LAND CONVEYED TO UTAH COUNTY CONTAINS 2.17 ACRES (94,425 SQ. FT.).

PARCEL 2

A PARCEL OF LAND SITUATE IN THE SOUTH HALF OF SECTION 34 TOWNSHIP 8 SOUTH, RANGE 2 EAST, AND THE NORTH HALF OF SECTION 3, TOWNSHIP 9 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED 1516.23 FEET S 89°47'28" W ALONG THE SECTION LINE AND 216.65 FEET NORTH FROM THE SOUTHEAST CORNER OF SAID SECTION 34, AND RUNNING THENCE S 55°45'57" W FOR A DISTANCE OF 346.24 FEET, THENCE S 55°41'18" W FOR A DISTANCE OF 1158.76 FEET, THENCE S 43°30'30" W FOR A DISTANCE OF 577.35 FEET, THENCE S 43°10'22" W FOR A DISTANCE OF 1019.42 FEET, THENCE S 42°48'52" W FOR A DISTANCE OF 86.97 FEET, THENCE N 46°18'44" W FOR A DISTANCE OF 201.24 FEET TO THE BEGINNING OF A CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 06°36'30", HAVING A RADIUS OF 383.00 FEET, AND WHOSE LONG CHORD BEARS N 43°00'21" W FOR A DISTANCE OF 44.15 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE N 06°58'53" W FOR A DISTANCE OF 903.21 FEET, THENCE N 83°26'41" E FOR A DISTANCE OF 192.67 FEET, THENCE N 06°33'55" W FOR A DISTANCE OF 584.87 FEET, THENCE N 06°34'48" W A DISTANCE OF 752.84 FEET, THENCE N 89°48'01" E FOR A DISTANCE OF 1211.19 FEET, THENCE S 00°23'52" E FOR A DISTANCE OF 31.68 FEET, THENCE N 89°40'01" E FOR A DISTANCE OF 71.68 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE LEFT THROUGH AN ANGLE OF 16°31'38", HAVING A RADIUS OF 344.39 FEET, AND WHOSE LONG CHORD BEARS N 81°29'17" E FOR A DISTANCE OF 99.00 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE N 73°26'51" E FOR A DISTANCE OF 111.37 FEET, THENCE N 75°27'25" E FOR A DISTANCE OF 5.17 FEET TO THE BEGINNING OF A NON-TANGENTIAL CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 14°21'45", HAVING A RADIUS OF 808.00 FEET, AND WHOSE LONG CHORD BEARS N 82°49'17" E FOR A DISTANCE OF 202.01 FEET, THENCE S 89°59'50" E FOR A DISTANCE OF 827.29 FEET TO THE BEGINNING OF A CURVE, THENCE ALONG SAID CURVE TURNING TO THE RIGHT THROUGH AN ANGLE OF 89°59'55", HAVING A RADIUS OF 16.00 FEET, AND WHOSE LONG CHORD BEARS S 44°59'53" E FOR A DISTANCE OF 22.63 FEET, THENCE S 00°00'04" W FOR A DISTANCE OF 93.90 FEET TO THE BEGINNING OF A CURVE, THENCE ALONG SAID CURVE TURNING TO THE LEFT THROUGH AN ANGLE OF 30°18'14", HAVING A RADIUS OF 357.00 FEET, AND WHOSE LONG CHORD BEARS S 15°09'03" E FOR A DISTANCE OF 186.63 FEET TO A POINT OF INTERSECTION WITH A NON-TANGENTIAL LINE, THENCE S 26°18'32" E FOR A DISTANCE OF 49.30 FEET, THENCE S 33°38'49" E FOR A DISTANCE OF 67.70 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 80.54 ACRES (3,508,246 SQ. FT.).

ANNEXATION AREA PARCEL DESCRIPTION

Note: For each District, the Annexation Area includes any properties within the Initial District Boundary of District No. 1, and any within either District's Boundaries following the creation of District No. 2, plus the plus that portion of parcel 25:061:0039 currently within unincorporated Utah County, Utah, as depicted below and on the following page.

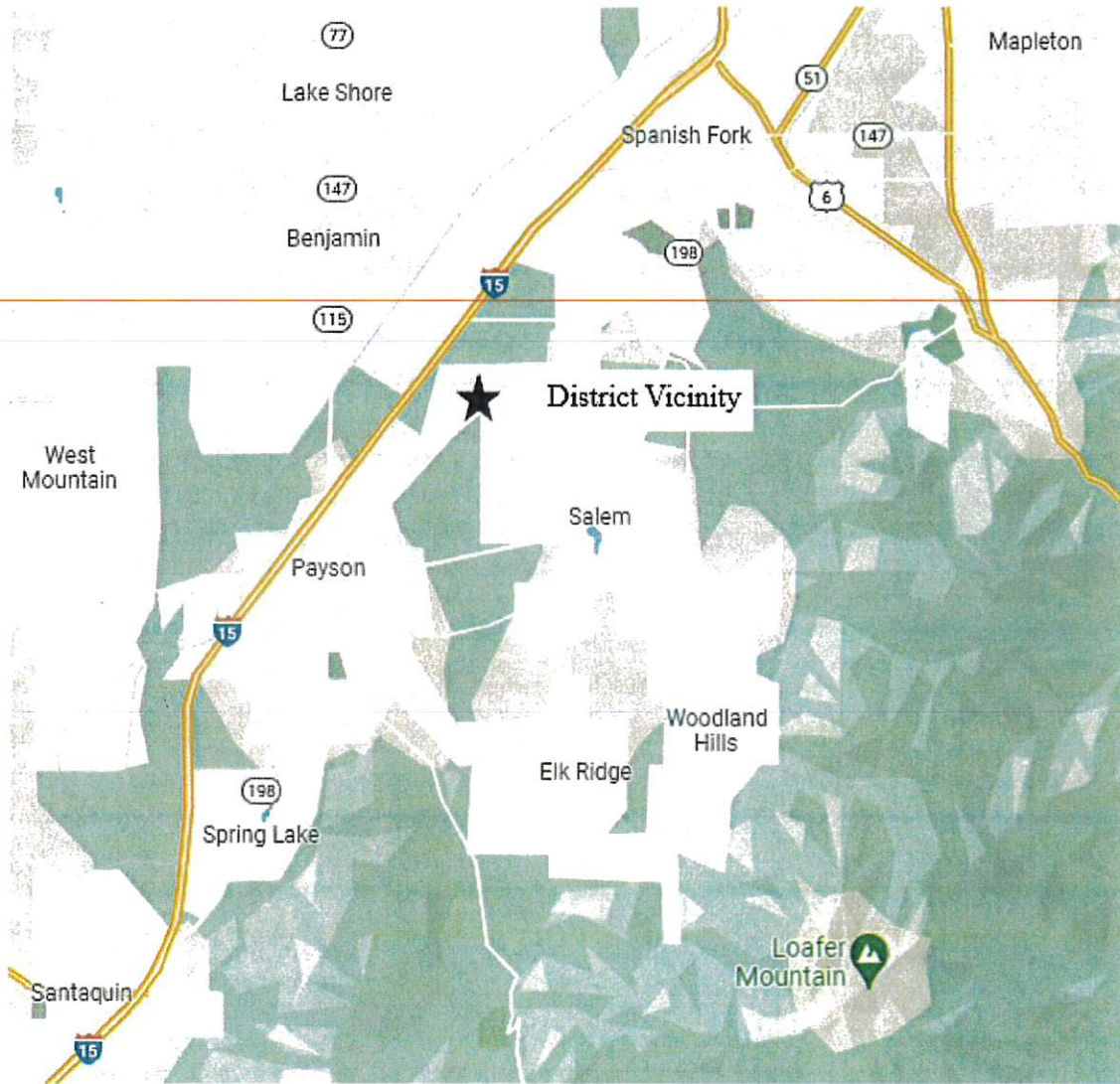
MAIN PARCEL AS SURVEYED DESCRIPTION:

BEGINNING AT A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF ARROWHEAD TRAIL ROAD, SAID POINT BEING NORTH 01°17'04" WEST. ALONG THE SECTION LINE, 1223.30 FEET FROM THE SOUTHEAST CORNER OF SECTION 34, TOWNSHIP 8 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG SAID RIGHT OF WAY LINE AND A FENCE THE FOLLOWING SEVEN (7) COURSES, 1) SOUTH 55°47'56" WEST 475.36 FEET; 2) SOUTH 55°50'40" WEST 520.88 FEET; 3) SOUTH 55°45'55" WEST 1150.12 FEET; 4) SOUTH 55°41'16" WEST 1158.76 FEET; 5) SOUTH 43°30'28" WEST 577.35 FEET; 6) SOUTH 43°10'20" WEST 1019.42 FEET; 7) SOUTH 42°48'50" WEST 287.96 FEET TO THE EASTERLY RIGHT OF WAY LINE OF 1750 WEST STREET; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING FOUR (4) COURSES, 1) NORTH 06°58'55" WEST 1245.59 FEET; 2) ° NORTH 05°59'45" WEST 743.67 FEET; 3) NORTH 06°19'06" WEST 397.92 FEET; 4) NORTH 05°27'39" WEST 196.37 FEET; THENCE NORTH 89°47'59" EAST ALONG FENCE 1405.10 FEET; THENCE NORTH 00°23'54" WEST ALONG FENCE 2027.56 FEET TO THE SOUTH RIGHT OF WAY LINE OF 8400 SOUTH STREET; THENCE NORTH 89°41'45" EAST, ALONG SAID SOUTH RIGHT OF WAY LINE, 841.10 FEET; THENCE NORTH 00°06'15" WEST 25.68 FEET; THENCE NORTH 89°36'44" EAST 2063.71 FEET; THENCE NORTH 89°23'45" EAST 594.00 FEET; THENCE SOUTH 00°36'15" EAST 49.50 FEET; THENCE NORTH 89°23'45" EAST 660.00 FEET; THENCE NORTH 00°36'15" WEST 49.50 FEET; THENCE NORTH 89°23'45" EAST 594.00 FEET; THENCE SOUTH 33°21'44" EAST 65.66 FEET TO A FENCE CORNER; THENCE SOUTH 23°22'43" EAST ALONG SAID FENCE 97.49 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE OF SAID ARROWHEAD TRAIL ROAD AND FENCE; THENCE ALONG SAID RIGHT OF WAY THE FOLLOWING TWO (2) COURSES: 1) SOUTH 55°52'23" WEST 1251.30 FEET; 2) SOUTH 55°46'25" WEST 1034.42 FEET TO THE EAST LINE OF SAID SECTION 34 AND THE POINT OF BEGINNING.
LESS AND ACCEPTING UTAH COUNTY PARCELS 25:058:0023, 30:009:0076, 30:009:0077 AND 30:009:0089
CONTAINS 252.593 ACRES. MORE OR LESS

In addition, the following is included in the Annexation Area of each District:
That portion of parcel 25:061:0039 currently within unincorporated Utah County, Utah.

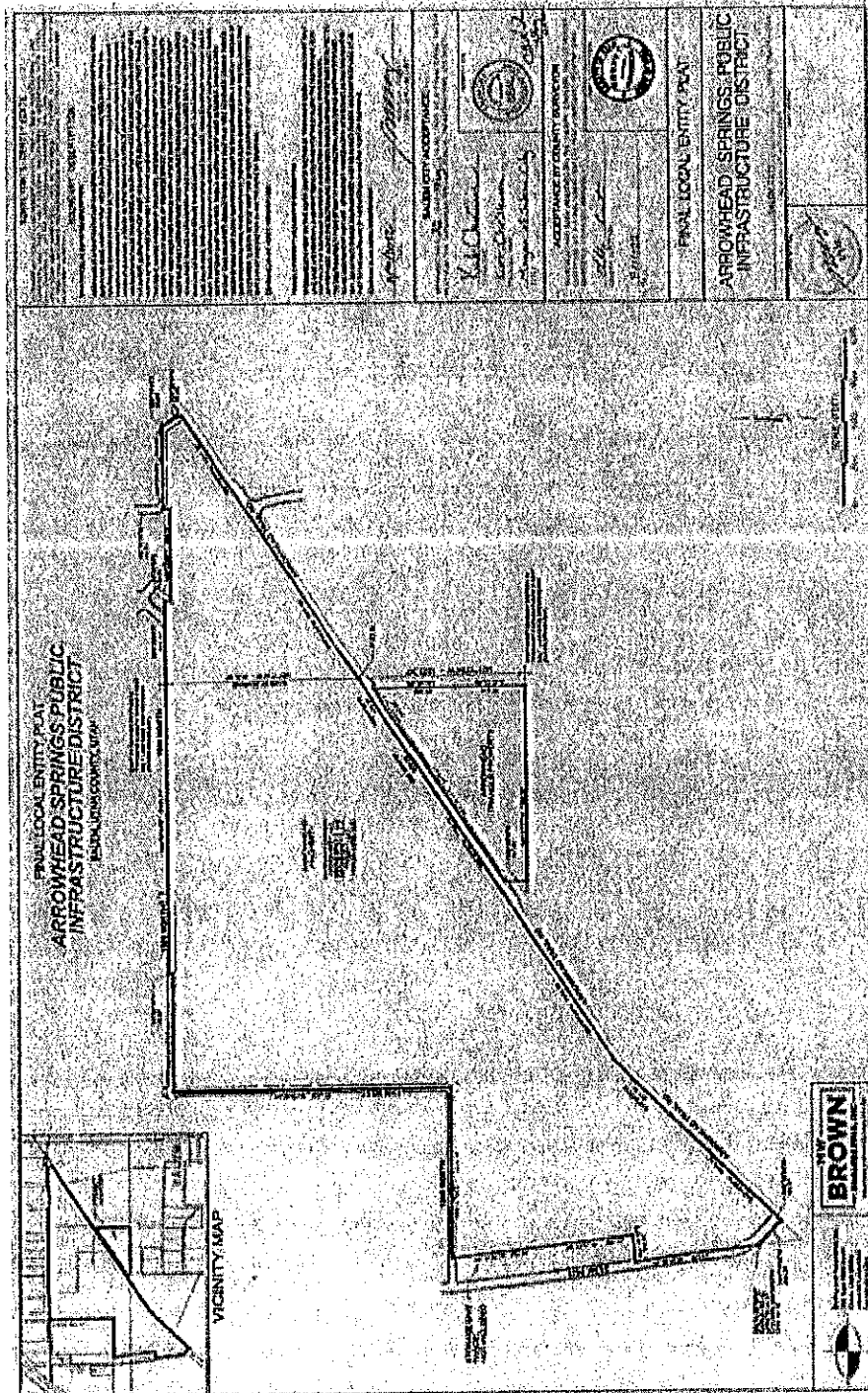
EXHIBIT B

Salem City Vicinity Map



Annexation Area Map

Note: For each District, the Annexation Area includes any properties within the Initial District Boundary of District No. 1, and any within either District's Boundaries following the creation of District No. 2, plus the plus that portion of parcel 25:061:0039 currently within unincorporated Utah County, Utah, as depicted below and on the following page.



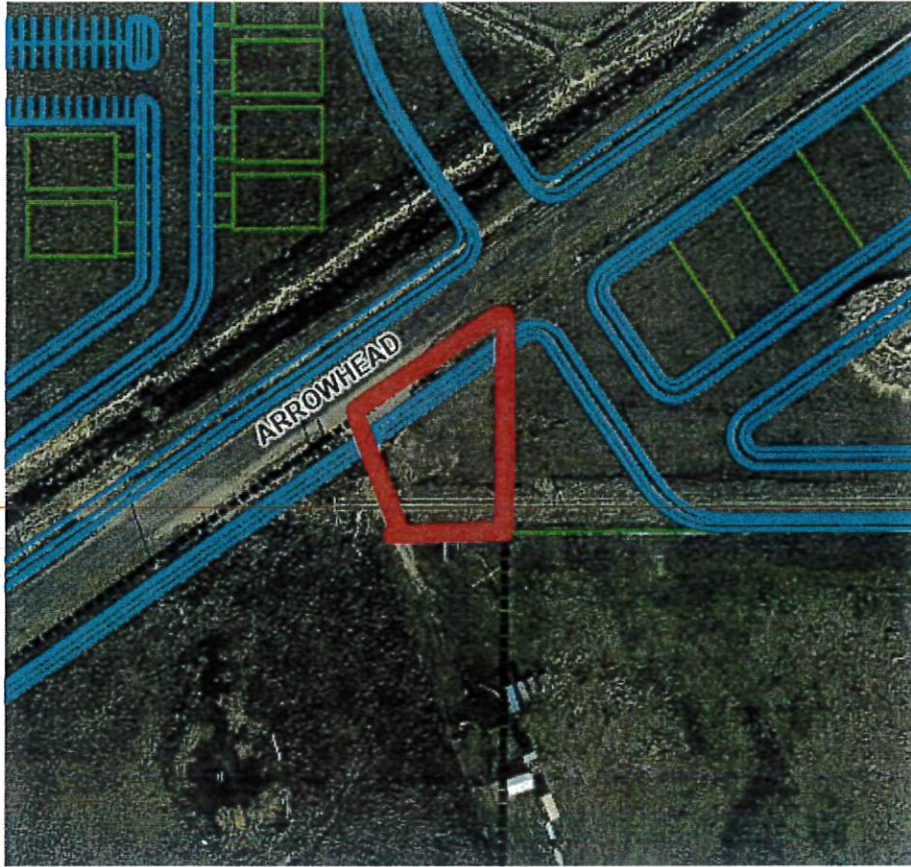


EXHIBIT D

Park Improvements

Park Improvements

Recreation Complex covering approximately 52.2 acres and containing the following:

- Feeder roads to the park
- Five base/softball fields
- Six soccer fields
- Pickleball courts
- Horseshoe pits
- One or more pergolas
- A water feature (splash pad)
- Three tot lots
- Tennis courts
- Pavilions
- 400 parking stalls
- Landscaping as shown on the Concept Plan for the Development
- Open space to be landscaped as follows:
 - trees and shrubs
 - automatic sprinklers installed
 - hydro-seeding
 - minimum of twenty-four park benches installed

EXHIBIT E

INTERLOCAL AGREEMENT BETWEEN

**SALEM CITY, UTAH
AND
ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT
AND
ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

THIS AGREEMENT is made and entered into as of this 6th day of March, 2024, by and between the SALEM CITY, a home-rule municipal corporation of the State of Utah (“City”), ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT, a political subdivision of the State of Utah (“District No. 1”) and ARROWHEAD SPRINGS 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 District’s Amended Governing Document approved by the City on March 6, 2024 (“Governing Document”); and

WHEREAS, the Governing Document makes reference to the execution of an Interlocal Agreement between the City and the Districts, and addresses the approval and creation of District No. 2 from property previously approved to be in District No. 1; 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 Development Agreement 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. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

2. Improvements. 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, as such power and authority is described in the District Act and other applicable statutes, common law and the Constitution, subject to any limitations set forth herein or in the Development Agreement. The Districts shall dedicate the Public Improvements to the City or other appropriate public entity in a manner consistent with the rules and regulations of the City and applicable provisions of the City Code. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

3. Construction Standards. The Districts will ensure that the Park Improvements are designed and constructed in accordance with the Development Agreement, and will ensure that the Other Improvements are designed and constructed in accordance with the customary 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 for Other Improvements, 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 its 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. Such area may only be annexed upon annexation of such parcel into the City or adoption of a resolution of the County approving such annexation into the Districts, and such area may only be annexed or withdrawn upon the Districts obtaining consent of all property owners and registered voters, if any, within the area proposed to be annexed or withdrawn and the passage of a resolution of the Board approving such annexation or withdrawal.

6. Overlap Limitation. The boundaries of the Districts (and any other public infrastructure district organized under the PID Act) 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 applicable Districts. Following the approval of this Governing Document and of

creation of District No. 2, the property comprising the Initial District Boundary of District No. 2 will be withdrawn from the Initial District Boundary of District No. 1 to ensure the Districts do not overlap.

7. Park Improvements. The Districts shall ensure that the financing of the Park Improvements are accomplished in accordance with the timing and/or milestones described in the Development Agreement.

(a) Other Improvements. The Districts are also authorized to fund the planning and design of Other Improvements in addition to the Park Improvements described in the Development Agreement, and independent of the development milestones set forth in the Development Agreement.

The Districts shall be permitted to pay for Public Improvements permitted herein irrespective of any increase or decrease in the actual cost, provided that the Districts comply with Section V and other requirements of the Governing Document, including but not limited to the debt limit provided in Section V.A(8) and the maximum property tax mill levy provided in Section VIII.C.

(b) Commencement of Construction of Park Improvements. Construction of the Park Improvements must commence in accordance with the timeline proposed in the Development Agreement.

(c) Reimbursement for Improvements. Any impact fee reimbursements or credits which become available due to the financing of Public Improvements by the Districts shall be for the benefit of the Districts and not any developer. The specifics of the scope and availability of impact fee reimbursements shall be reserved and will be addressed in an interlocal agreement between the City and the Districts.

(d) Ownership of Improvements. Notwithstanding the provisions of this Section V.A.1, without written authorization of the City, the Districts shall not be authorized to finance the costs of any improvements or facilities which are to be ultimately owned by the Districts.

8. Initial Debt. On or before the effective date of approval by the City of the Development Agreement (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.

9. Total Debt Issuance. The Districts shall not issue Limited Tax Debt in excess of an aggregate amount of Forty-Five Million Dollars (\$45,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the Districts. 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. Proceeds of Limited Tax Debt will be used as contemplated in the Development Agreement. Any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act.

10. 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.

11. Eminent Domain. The Districts shall not exercise eminent domain or utilize any funds of the District to support any eminent domain action or proceeding unless (i) the public improvements for which eminent domain is proposed are permitted under this Agreement, the Development Agreement, or separate agreement of the City and (ii) their location complies with a master infrastructure plan or similar plan of the City or the applicable service provider.

12. Dissolution. Upon an independent determination of the Board that the purposes for which a respective District was created have been accomplished, such District agrees to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

13. Disclosure to Purchasers; Annual Notice. The Developer and the Board shall ensure that the disclosure requirements of Section XI of the Governing Document are complied with.

14. 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.

15. Annual Report. The Districts shall be responsible for submitting an annual report to the City Manager's Office no later than 180 days following the closing of the Districts' fiscal year, containing the information set forth in Section VIII of the Governing Document.

16. Reserved.

17. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of Limited Tax Debt and administrative expenses and such maximum shall be 0.006 per dollar of taxable value of taxable property in the Districts; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8).

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

18. 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 first date of imposition of the mill levy for such bond (the "Maximum Debt Mill Levy Imposition Term").

19. Prepayment of Assessments. All Assessments (other than Assessments under the C-PACE Act) imposed by any District on a parcel zoned for residential uses shall be prepaid at or before the time such parcel is conveyed to an End User. In the event the Developer intends to pass on Assessments to a party that is not a residential End User, the Developer shall obtain a signed acknowledgement of such purchaser stating the amount of Assessments being passed on. Any Assessments issued under the C-PACE Act may be repayable in accordance with the provisions of such act.

20. 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: Arrowhead Springs Public Infrastructure District
and Arrowhead Springs Public Infrastructure
District No. 2
c/o Snow Jensen & Reece
912 West 1600 South, Suite B-200
St. George, UT 84770
Attn: Matt Ence
Phone: (435) 628-3688

To the City: Salem City
30 W 100 S
Salem, UT 84653
Attn: City Manager
Phone: (801) 423-2770

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.

21. 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.

22. 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.

23. 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.

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

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

26. 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.

27. 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.

28. 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 Districts 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.

29. 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.

30. 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.

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

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

33. Binding Nature of Agreement, District No. 1 vs. District No. 2. The parties acknowledge that this Agreement was approved by the City in conjunction with approval of the creation of District No. 2, and that the creation process for District No. 2 will be instituted after such approval and is likely to require a period of time before the Chair of District No. 2 can be appointed and authorized by the District No. 2 Board to execute this Agreement on its behalf. In contrast, District No. 1 is already in operation and may accept and execute this Agreement in a more timely manner. As a result, the Parties agree that this Agreement shall become applicable to and binding on each of the Districts at the time they execute this Agreement, and this Agreement shall bind each District at the time such District executes it, regardless of whether the other District has then executed or executes at some later date.

[SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

ARROWHEAD SPRINGS PUBLIC
INFRASTRUCTURE DISTRICT

By: _____
President

Attest:

Secretary

APPROVED AS TO FORM: _____

ARROWHEAD SPRINGS PUBLIC
INFRASTRUCTURE DISTRICT NO. 2

By: _____
President

Attest:

Secretary

APPROVED AS TO FORM: _____

SALEM CITY, UTAH

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

EXHIBIT F

Required Notice for Sales and Leasing Offices

NOTICE: This Development is located within the Arrowhead Springs Public Infrastructure Districts.

The Districts are authorized to impose a property tax of 0.006 per dollar of taxable value.

Under the maximum property tax rate of the Districts, for every \$100,000 of taxable value, there would be an additional annual property tax of \$600 for the duration of the Districts' Bonds.

EXHIBIT C

NOTICE OF BOUNDARY ACTION

EXHIBIT C

NOTICE OF BOUNDARY ACTION

COPY

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of the City of Salem, Utah (the "Council"), acting in its capacity as the creating entity for the Arrowhead Springs Public Infrastructure District No. 2 (the "District"), at a regular meeting of the Council, duly convened pursuant to notice, on April 3, 2024 adopted a *Resolution Providing for the Creation of a Public Infrastructure District*, a true and correct copy of which is attached as EXHIBIT "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 Utah County, Utah, is attached as EXHIBIT "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 3 day of Apr. 1, 2024.

CITY COUNCIL, THE CITY OF SALEM, UTAH,
acting in its capacity as the creating authority for the
Arrowhead Springs Public Infrastructure District No. 2

By: [Signature]
AUTHORIZED
REPRESENTATIVE

VERIFICATION

STATE OF UTAH)
) :ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this 3 day of

April, 2024.

[Signature]
NOTARY PUBLIC

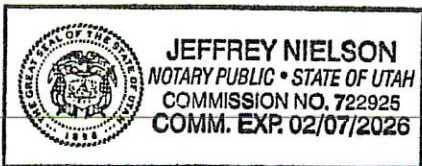



EXHIBIT "A" TO NOTICE OF BOUNDARY ACTION


Copy of the Creation Resolution

RESOLUTION No. 40324C

COPY

ROLL CALL

VOTING	YES	NO
KURT L CHRISTENSEN Mayor (votes only in case of tie)		
TIM De GRAW City Councilmember		
KELLY PETERSON City Councilmember	KP	
CRISTY SIMONS City Councilmember	CS	
CYNTHIA DEVERAUX REES City Councilmember	CR	
PAUL TAYLOR City Councilmember		PT

I MOVE this resolution be adopted: 
City Councilmember

I SECOND the foregoing motion: C. Simons
City Councilmember

**AN RESOLUTION RE-APPROVING THE ARROWHEAD SPRINGS CREATION (PID)
PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

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 40324C

A RE-APPROVING RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF SALEM, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF ARROWHEAD SPRINGS PUBLIC INFRASTRUCTURE DISTRICT NO. 2 ("DISTRICT NO. 2") AS AN INDEPENDENT BODY CORPORATE AND POLITIC; AUTHORIZING AND APPROVING AN AMENDED AND RESTATED GOVERNING DOCUMENT, AN AMENDED AND RESTATED INTERLOCAL AGREEMENT, AND A NOTICE OF BOUNDARY ACTION; DELEGATING TO CERTAIN OFFICERS OF THE CITY THE AUTHORITY TO EXECUTE AND APPROVE THE FINAL TERMS AND PROVISIONS OF THE GOVERNING DOCUMENT, THE INTERLOCAL AGREEMENT, THE NOTICE OF BOUNDARY ACTION AND ANY OTHER DOCUMENTS RELATED THERETO; APPROVING OF AN ANNEXATION AREA; AUTHORIZING DISTRICT NO. 2 TO PROVIDE SERVICES RELATING TO THE FINANCING AND CONSTRUCTION OF PUBLIC INFRASTRUCTURE WITHIN THE ANNEXATION AREA; AUTHORIZING DISTRICT NO. 2 TO PROVIDE SERVICES RELATING TO THE FINANCING AND CONSTRUCTION OF PUBLIC INFRASTRUCTURE WITHIN THE DISTRICT AREA; APPOINTING A BOARD OF TRUSTEES OF DISTRICT NO. 2; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, on December 13, 2023 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District Number 2 and approving a Governing Document and an Interlocal Agreement between the City and District No. 2; and

WHEREAS, Resolution 121323A was not submitted to the Lt. Governors Office within the 10 day period after approval; and

WHEREAS, A Re-approval resolution was created in order to meet the 10 day period to be submitted to the Lt. Governors Office and is presented in the following information; and

WHEREAS, on July 20, 2022 the City adopted a resolution authorizing the creation of Arrowhead Public Infrastructure District ("District No. 1" and together with District No. 2, the "Districts") and approving a Governing Document (the "Original Governing Document") and an Interlocal Agreement between the City and District No. 1 ("Original Interlocal"); and

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of District No. 2 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 the Districts may annex or withdrawal any portion of such area without further approvals or hearings of the City or the Council, as further described in Governing Document Exhibit A (as hereinafter defined) 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 the District (the "Property Owners"); 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 District be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, on December 13, 2023, the City held a public hearing to receive input from the public regarding the creation of District No. 2, and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, it is necessary to authorize the creation of District No. 2 under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, the Property Owners and District No. 1 have requested certain amendments to the Original Governing Document in connection with the creation of District No. 2; and

WHEREAS, the City and District No. 1 desire to amend the Original Governing Document and the Original Interlocal to exempt assessment debt from the limitation of the Governing Document, amend the improvements that may be financed by the Districts, and make additional changes in connection therewith; and

WHEREAS, pursuant to the PID Act, a governing document may be amended by resolutions adopted by the creating entity and the applicable district approving such amendment; and

WHEREAS, it is anticipated that hereafter District No. 1 will adopt a resolution approving the amendments contemplated herein and withdrawing property within District No. 2 from the boundaries of District No. 1; and

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

WHEREAS, the City posted notice of the public hearing as a Class B notice in accordance with Section 17B-1-211(1) of the Act; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the District before the public hearing on the Petition; and

WHEREAS, each board 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 board member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a

board member of District No. 2 under Section 17D-4-202(3)(c) of the PID Act because they are agents of property owners within District No. 2 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 an Amended and Restated Governing Document (the "Governing Document") attached hereto as Exhibit B and an Amended and Restated Interlocal Agreement between the City and the District, 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 attached hereto as Exhibit C (the "Boundary Notice") and a Final Entity Plat to be attached thereto as Boundary Notice Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) with respect to District No. 2 (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 District, are hereby ratified, approved and confirmed.

2. District No. 2 is hereby created as a separate entity from the City in accordance with the Governing Document and the Act. The boundaries of District No. 2 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 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 the Districts 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 District without further request of the District 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 Original Governing Document and Original Interlocal are hereby amended and restated. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit C are hereby authorized and approved, and shall constitute the Governing Document and the Interlocal Agreement for the Districts, and the Districts shall be governed by the terms thereof and applicable law.

7. The District No. 2 Board is hereby appointed as follows:

(a) Trustee 1 – Matthew Lewis for an initial six -year term.

(b) Trustee 2 – Brian Bird for an initial four-year term.

(c) Trustee 3 – Aftyn Morrison for an initial six-year term.

(d) 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 District No. 2.

8. The Council does hereby authorize the Mayor or a Councilmember to execute the Boundary Notice in substantially the form attached as Exhibit C and such other documents as shall be required to finalize 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 District No. 2 by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Councilmember, or the City Manager 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 Board of Trustees of District No. 2 (the "District Board") is hereby authorized and directed to record such Governing Document with the recorder of Utah County within 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 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 Councilmember, the City Attorney, or the City Manager.

PASSED AND ADOPTED by the City Council of the City of Salem, Utah, this April 3, 2024.

CITY OF SALEM, UTAH

By: *Kent L. Christensen*
Mayor

ATTEST:

By: *JM Nail*
City Recorder

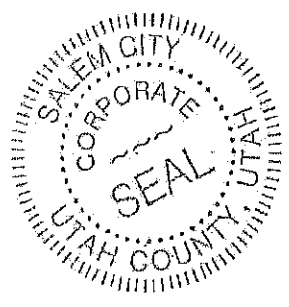


EXHIBIT "B" TO NOTICE OF BOUNDARY ACTION

Final Local Entity Plat

