NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1, 3-5
JOINT SPECIAL MEETING via teleconference on
Thursday, October 23, 2025, at 11:00 am Mountain Time (US and Canada)

This meeting is open to the public and may be joined using the following information:

https://us06web.zoom.us/j/89325728870?pwd=L04E3sAkEDw89gXLFfLCE4hdKX2y6E.1
Meeting ID: 893 2572 8870
Passcode: 646559
Call-in Number: 1-720-707-2699

ANCHOR LOCATION: 1265 E Fort Union Blvd., Suite 302, Cottonwood Heights, UT

NOTICE OF JOINT SPECIAL MEETING AND AGENDA

1. Call to Order/Declaration of Quorum

2. Preliminary Action Items

   a. Approve Agenda

   b. Confirm Conflict of Interest Disclosures

3. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes.

4. Action Items

   a. Approval of Minutes from September 26, 2025 Joint Special Meeting

   b. Approval of Special Service District Preparation 2026 Statement of Work with CliftonLarsonAllen, LLP

   c. Authorize Legal Counsel to obtain crime insurance, as required, through the Utah Local Governments Trust (District Nos. 3-5)

   d. Resolutions

      i. Adoption of Joint 2026 Annual Administrative Resolution, Confirm Anchor Location and 2026 Regular Meetings for the second Friday in January, April, July, October and November, 2026 at 10:00am.

ii. Adoption of Joint Resolution Adopting District Bylaws

iii. Adoption of Resolution of Cost Acceptance (District No. 1)

5. Tentative Amended 2025 Budget (District No. 1)

a. Consider Adoption of Tentative Amended 2025 Budget and Confirm Public Hearing Date to hear public comment on the same

6. Tentative 2026 Budget

a. Consider Adoption of Tentative 2026 Budget and Confirm Public Hearing for November 11, 2025 at 10:00 a.m. to hear public comment on the same

7. Administrative Non-Action Items

8. Adjourn

MINUTES OF A SPECIAL MEETING

NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 3-5
BOARD OF TRUSTEES

Friday, September 26, 2025 at 10:00 a.m.
1265 E Fort Union Blvd., Suite 302, Cottonwood Heights, UT

The meeting was also held via teleconference and open to the public.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Utah. The following members were in attendance:

Boyd Brown (via teleconference)

Jonny Christensen

Clay Winder (via teleconference)

Also present: Megan J. Murphy, Esq. and Betsy F. Russon, Esq., WBA, PC, District General Counsel; Chase Hanusa, The Connextion Group-Civil LLC., District Engineer; and Shelby Clymer, CliftonLarsonAllen LLP, District Accountant.

Call to Order/Declaration of Quorum

It was noted that a quorum of each Board was present. Upon a motion duly made and seconded, the meeting was called to order.

Joint Meetings

The Boards of Directors of the Districts have determined to hold joint meetings of the Districts and to prepare joint minutes of action taken by the Districts in such meetings. Unless otherwise noted, all official action reflected in these minutes is the action of each of the Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

Preliminary Action Items

Approve Agenda

The Boards reviewed the proposed agenda for the meeting. Following discussion, upon a motion duly made by Mr. Christensen, seconded by Mr. Winder, the Boards unanimously approved the agenda as presented.

Public Comment

No members of the public were in attendance.

Action Items

Approve Minutes from July 14, 2025 Joint Special Meeting

Ms. Murphy presented minutes from the July 14, 2025 joint special meeting to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Christensen, seconded by Mr. Winder, and upon a vote unanimously carried, the Boards approved the minutes from the July 14, 2025 joint special meeting.

Adopt Resolution of Cost Acceptance No. 4 (District No. 1)

Mr. Hanusa presented the Resolution of Cost Acceptance No. 4 to the Board of District No. 1 for consideration. Following review and discussion, upon a motion duly made by Mr. Brown, seconded by Mr. Christensen, and upon a vote unanimously carried, the Board of District No. 1 adopted the Resolution of Cost Acceptance No. 4.

Approval of March 31, 2025 Unaudited Financial Statements

Ms. Clymer presented the June 30, 2025 Unaudited Financial Statements to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Christensen, seconded by Mr. Brown, and upon a vote unanimously carried, the Boards unanimously accepted the June 30, 2025 Unaudited Financial Statements.

Approval of Claims Listing

Ms. Clymer presented the Claims Listing to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Brown, seconded by Mr. Christensen, and upon a vote unanimously carried, the Boards unanimously approved the Claims Listing.

Administrative Non-Action Items

Confirmation of Completed Trustee Training – Open and Public Meetings Act Training 2025

Ms. Russon confirmed that all Board members have completed the annual Trustee Training for Open and Public Meetings required by the state auditor. No action was taken.

Adjourn

There being no further business to come before the Boards and upon a motion duly made, seconded, and unanimously carried, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

Clay Winder
District Clerk/Secretary

The foregoing minutes were approved on the 23rd day of October, 2025.

NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 3-5
JOINT ANNUAL ADMINISTRATIVE RESOLUTION
(2026)

WHEREAS, the NS Public Infrastructure District Nos. 1, 3-5 (each reference the "**District**"), a quasi-municipal corporation and political subdivision of the State of Utah, duly organized and existing pursuant to the Special District Act, Title 17B, Chapter 1, Utah Code Annotated 1953 (the "**Utah Code**") as amended from time to time and any successor statute thereto and the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953; and

WHEREAS, the Board of Trustees of the District has a duty to perform certain obligations in order to assure the efficient operation of the District and hereby directs its members and consultants to take the following actions.

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

1. Annual Registration with Lieutenant Governor. The Board directs the District's legal counsel to complete the required Local Government and Limited Purpose Entity Registration with the Lieutenant Governor's Office no later than July 1st of each year following the issuance of a Certificate of Creation/Incorporation in accordance with Utah Code Section 67-1a-15, and to notify the Lieutenant Governor's Office of any changes to this information within 30 days of such changes.

2. District Contact Information. The Board directs the District's legal counsel to post the name, phone number, and email address of each member of the Board to the Public Notice Website within 30 days of the trustee taking office and whenever the contact information changes, in accordance with Utah Code Section 17B-1-303.

3. Annual Report. The Board directs the District's legal counsel to file the annual report with the City of Salem Utah, as outlined in the District's Governing Document and pursuant to Utah Code Section 17D-4-205.

4. Trustee Training – Board Member. Pursuant to Utah Code Section 17B-1-312 each member of the Board shall, within one year after taking office, complete training developed by the Office of the State Auditor in cooperation with the Utah Association of Special Districts, and provide certification thereof to the Recording Secretary. An online training course that fulfills this requirement is available at training.auditor.utah.gov.

5. Trustee Training – Open Meeting. Pursuant to Utah Code Section 52-4-104, each Trustee shall, not more than once per year, complete the training provided by the State Auditor on the requirements of the Open and Public Meetings Act, and provide certification thereof to the Recording Secretary.

6. Trustee Training - GRAMA (Records Officer). Pursuant to Utah Code Section 63G-2-108 the District Clerk/Secretary shall complete annually, an online training course in order to receive the required certification in GRAMA. This training can be accessed online at archives.utah.gov/rim/certification.html.

7. **Oaths**. Each Trustee shall take an Oath of Office as specified in Article IV, Section 10 of the Utah Constitution, and as prescribed in Utah Code Section 17B-1-303(3)(a)(i). The Board directs the District's legal counsel to file each Oath of Office with the office of the District Clerk/Secretary in accordance with Utah Code Section 17B-1-303(3)(b).

8. **Trustee Bonds – Treasurer Required**. Pursuant to Utah Administrative Code Section R628-4-2(A) and Utah Code § 17B-1-301 the District Treasurer shall secure crime insurance coverage in the amount shown in Utah Administrative Code Section R628-4-4.

9. **Conflict of Interest Disclosure Statement – Annual Requirement**. Pursuant to Utah Code Section 67-16-7; 67-16-8 and 67-16-9 the Board hereby determines that each Trustee shall complete a Conflict of Interest Disclosure Statement and file their conflicts of interest disclosures with the Recording Secretary at the end of January of each year. Additionally, throughout the year, each Trustee shall provide the Recording Secretary with any revisions, additions, corrections, or deletions to said conflicts of interest disclosures.

10. **Ethical Conduct Acknowledgment – Annual Requirement.** Each Trustee shall annually sign an Ethical Conduct Acknowledgment confirming review of the District's Ethical Behavior and Conflict of Interest Policies, and file their signed Acknowledgement with the Recording Secretary at the end of January of each year.

11. **Officers**. Pursuant to Utah Code Section 17B-1-309 and 11-50-202 The Board hereby acknowledges the following officers for the District:

Chair:	Boyd Brown
Treasurer:	Jonny Christensen
Clerk:	Clay Winder
Recording Secretary:	Legal Counsel
Records Officer:	Legal Counsel
Chief Administrator Officer	Boyd Brown
Chief Financial Officer	Shelby Clymer

12. **Trustee Compensation**. At the discretion of the Board, Trustees may receive compensation for their service, and/or per diem and travel expenses in accordance with Utah Code Section 17B-1-307.

13. **Infrastructure Acquisition and Reimbursement Agreement.** The Board acknowledges its intent to enter into an Infrastructure Acquisition and Reimbursement Agreement ("IARA") with the project developer to establish the procedures for review, certification, and reimbursement of District-eligible public infrastructure costs consistent with the Public

Infrastructure District Act and the District's Governing Document. The Board directs District Counsel, in coordination with the District Engineer and District Accountant, to prepare and negotiate the form of the IARA for future presentation to and approval by the Board.

14. Engagement of Consultants. The Board authorizes the Chair, in consultation with District Counsel, to execute professional services agreements with the District Engineer, District Accountant, and other consultants as necessary to assist in the preparation, review, and implementation of the anticipated Infrastructure Acquisition and Reimbursement Agreement and related cost-certification procedures.

> **Accountant**. The Accountant engaged by the District, shall be an independent certified public accounting firm engaged under a professional services agreement. In addition to the services necessary to assist assist in the preparation, review, and implementation of the anticipated IARA and related cost-certification procedures, the accountant shall assist the District in the preparation and submission of an annual financial report to the State Auditor pursuant to Utah Code § 17B-1-606, and perform the duties set forth in the District Bylaws.
>
> **Engineer.** The Engineer engaged by the District shall be a licensed professional engineer registered in the State of Utah and retained under a professional services agreement. The Engineer shall advise and assist the District in the planning, design, and inspection of Public Infrastructure anticipated to be financed or reimbursed by the District, and shall prepare or review Engineer's Cost Certifications, Design Engineer Certifications, and inspection reports as may be required in connection with any future IARA or other reimbursement arrangement entered into by the District. The Engineer shall perform the duties set forth in the District Bylaws and such additional functions as the Board may direct from time to time.**Notice of Meetings**. The Board directs that all public notices be provided no less than 24 hours in advance and prepared in accordance with Utah Code Section 52-4-202.

15. Anchor Locations. Pursuant to Utah Code Section 52-4-101, *et seq.* and 52-4-207, and the District's Resolution Adopting Written Procedures Governing Electronic Meetings, the Board determines to establish the following primary anchor location: 1265 E Fort Union Blvd., Suite 302, Cottonwood Heights, UT. If an additional or alternative anchor location is to be used for a Board meeting, such location shall be identified in the public notice of the meeting in accordance with Utah Code Sections 52-4-201 and 52-4-207.

16. Electronic Meeting Policy. The District may convene and conduct electronic meetings pursuant to Utah Code Section 52-4-207, and the District's Resolution Adopting Written Procedures Governing Electronic Meetings.

17. Regular Meeting Schedule. Pursuant to Utah Code Section 52-4-202(2)(a), the Board determines to hold regular meetings on the second Friday in January, April, July, October and November, 2026 at 10:00 a.m. All notices of meetings shall designate whether such meeting will be held by electronic means, at an anchor location, or both, and shall designate how members of the public may attend such meeting, including the conference number or link by which members of the public can attend the meeting electronically, if applicable.

18. Emergency Meeting. In the event of an unforeseen emergency, the Board may call an emergency meeting pursuant to Utah Code Section 52-4-202(5) provided that an attempt has been made to notify all the members of the Board and a majority of the Board approves the meeting.

19. Closed Meetings. The Board may determine to hold a closed meeting in compliance with Utah Code Section 52-4-204, and in accordance with Utah Code Section 52-4-205. Any minutes or recordings of a closed meeting shall be prepared and retained in accordance with the requirements of Utah Code Section 52-4-206.

20. Written minutes of open meetings -- Public records -- Recording of meetings. The Board directs the Recording Secretary to transcribe minutes of all regular and emergency meetings in accordance with Utah Code Section 52-4-203(2). Pursuant to Utah Code Section 52-4-203(4)(e)(i), the Board directs the Recording Secretary to make pending minutes available to the public within 30 days after holding the open meeting. Pursuant to Utah Code Section 52-4-203(e)(ii), the Board directs the Recording Secretary to post the approved minutes and any public materials distributed at the meeting in accordance with Utah Code Section 52-4-203(e)(ii).

21. Electronic Recording of Meetings. Pursuant to Utah Code Section 52-4-203(7)(b), no electronic recording of any open meeting shall be made or kept so long as the annual budgeted expenditures for all the District's funds, excluding capital expenditures and debt service, are $50,000 or less.

22. GRAMA. The Board hereby appoints the District's Recording Secretary/Records Officer as the official custodian for the maintenance, care, and keeping of all public records of the District, in accordance with the District's Resolution Adopting a Public Records Policy. The Board hereby directs its legal counsel, accountant, manager, and all other consultants to adhere to the District's Resolution Adopting a Public Records Policy.

23. Liability Insurance. Provided the District's annual budget is $50,000 or more, the Board directs the District's legal counsel to obtain proposals and/or renewals for insurance, as applicable, to insure the District against all or any part of the District's liability, in accordance with Utah Code Section 17B-1-113(1).

24. Tentative Budget/Budget Hearing. Pursuant to Utah Code Section 17B-1-607, the Board directs the District's accountant to provide a tentative budget to the Board for review on or before the first regularly scheduled meeting in November, at which time, the Board shall adopt the tentative budget, establish the time and place of a public hearing to take public comment on the same, and order notice of said hearing be provided in accordance with the requirements of Utah Code Section 17B-1-609.

25. Budget Hearing Posting Requirement. Following adoption of a tentative budget, and no less than seven days prior to the public hearing on the adoption of a final, the Board shall make available a copy of the tentative budget pursuant to Utah Code Section 17B-1-608(2)(b), the District shall publish the tentative budget as a class A notice under Utah Code Section 63G-30-102 for at least seven days. Pursuant to Utah Code Section 17-B-608(3), the tentative budget notice is exempt from the physical posting requirement described in Utah Code Section 63G-30-102(1)(c).

26. **Final Budget**. Following adoption of a final budget, the Board directs the District's accountant to file the Final Budget with the State Auditor within 30 days of adoption and post a copy of the Final Budget as required by Utah Code Section 17B-1-614(2).

27. **Budget Amendment**. Pursuant to Utah Code Section 17B-1-622, the Board directs the District's accountant to monitor all expenditures and, if necessary, to notify the District's legal counsel and the Board when expenditures are expected to exceed budgeted amounts.

28. **Audits**. Pursuant to Utah Code Section 17B-1-639 and within 180 days after the close of each fiscal year, the Board directs the District's accountant to prepare an annual financial report in conformity with generally accepted accounting principles as prescribed in the Uniform Accounting Manual for Special Districts.

29. **Approval of Expenditures**. Pursuant to Utah Code Section 17B-1-642(2), the Board authorizes the District's accountant to act as the financial officer of the District for the purposes of approving routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials. The Board shall, at least quarterly, review all expenditures authorized by the District's accountant. Pursuant to Utah Code Section 17B-1-642(4), the Board hereby sets $10,000 as the maximum sum over which all purchases may not be made without the Board's approval.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED OCTOBER 23, 2025.

DISTRICTS:

NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 3-5, a quasi-municipal corporation and political subdivision of the State of Utah

By: ___________________________________
Officer of the Districts

Attest:

By: ___________________________________

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
ACCEPTANCE RESOLUTION #4
PURSUANT TO INFRASTRUCTURE ACQUISITION
AND PROJECT FUND DISBURSEMENT AGREEMENT
(October 23, 2025)

WHEREAS, NS Public Infrastructure District No. 1, in Salem City, Utah County, State of Utah (the "**District**"), a quasi-municipal corporation and political subdivision of the State of Utah (the "**District**"), duly organized and existing pursuant to the Special District Act, Title 17B, Chapter 1, Utah Code Annotated 1953 and the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953 as amended from time to time and any successor statute thereto (the "**Special District Act**"); and

WHEREAS, the District has the power to provide certain public infrastructure, improvements and services as described in the Special District Act and Public Infrastructure District Act within and without its boundaries (collectively, the "**Public Infrastructure**"), as authorized in accordance with the Governing Document for the District approved by the Salem City, Utah City Council on April 3, 2024 (the "**Governing Document**"); and

WHEREAS, the District and New Salem Vision 1, LLC ("**New Salem**") are parties to that certain Infrastructure Acquisition and Reimbursement Agreement dated October 31, 2024 (the "**Agreement**"); and

WHEREAS, capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement; and

WHEREAS, the Agreement establishes the terms and conditions for the reimbursement of District Eligible Costs to New Salem from the Project Fund, and, as applicable, for the acquisition of Public Infrastructure that is to be conveyed to the District; and

WHEREAS, pursuant to the Agreement, New Salem submitted an Application for Acceptance of District Eligible Costs/Dedicated Public Infrastructure that was Approved by the Board on September 26, 2025. Subsequently, on October 21, New Salem submitted a Revised Application for Acceptance of District Eligible Costs/Dedicated Public Infrastructure that supersedes its previous application (the "Revised Application"); and

WHEREAS, the Revised Application was filed pursuant to the Agreement, and New Salemhas provided such additional information as the District may reasonably require; and

WHEREAS, the Board has received a satisfactory Engineer's Cost Certification, and Accountant's Cost Certification of the Revised Application; and

WHEREAS, the Board desires to adopt this resolution declaring satisfaction of the conditions to acceptance as set forth in the Agreement, subject to any variances or waivers which the Board may allow in its sole and absolute discretion, and with any reasonable conditions the Board may specify (hereinafter, the "**Acceptance Resolution**"); and

WHEREAS, New Salem has expressly directed the District that a portion of the Certified District Eligible Costs be paid directly to Salem City;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT:

1. Incorporation of Recitals. The above recitals are hereby incorporated into and made a part of this Acceptance Resolution.

2. Acknowledgement of Documents Received. With respect to Public Infrastructure that is being dedicated to other governmental entities, Public Infrastructure to be acquired by the District, and funds advanced, the Board makes the following findings.

a. The Board has received and reviewed the Revised Acceptance of District Eligible Costs/ Dedicated Public Infrastructure.

b. New Salem has submitted all of the information required under Exhibit A - Schedule 1 of the Agreement.

c. The Connextion Group-Civil LLC ("**The Connextion Group**") has reviewed the invoices and other material presented to substantiate the District Eligible Costs and issued a Revised Engineer Cost Certification, attached hereto as **Exhibit A**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition and/or reimbursement, and that such costs are reasonable and appropriate for the type of Public Infrastructure being constructed.

d. CliftonLarsonAllen LLP has reviewed the Revised Engineer's Cost Certification and invoices and other material presented to substantiate the District Eligible Costs and has issued a Revised Accountant Cost Certification, attached hereto as **Exhibit B**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition/and or reimbursement.

3. Acceptance of Certified District Eligible Costs. The Board, having reviewed the Application for Acceptance of District Eligible Costs and Public Infrastructure, Engineer's Cost Certification, Accountant's Cost Certification, and all other information as deemed necessary and appropriate, finds and determines that the Certified District Eligible Costs to be accepted pursuant to this Acceptance Resolution is **$1,475,699.16.** Based on the documentation received, the Board further finds that the applicable requirements set forth in the Agreement have been satisfied, and that the Certified District Eligible Costs are hereby approved for payment by the District subject to the terms of the Agreement.

4. Rescission and Stop-Payment Direction – Requisition No. 11. Pursuant to Section 5.1 of the Infrastructure Acquisition and Reimbursement Agreement between the District and the

Developer, a check in the amount of $655,024.92 was issued under Requisition No. 11 to Salem City as reimbursement for District-eligible costs previously accepted by the District.

The Board hereby rescinds its approval of Requisition No. 11 and directs the Trustee, UMB Bank, N.A., as Paying Agent and Trustee under the Indenture of Trust dated December 1, 2024, to void and stop payment on the check issued to Salem City in the amount of $655,024.92, and to take any necessary administrative actions to ensure that such funds are not released or otherwise disbursed.

All District officers and the District's Authorized Representative are further authorized and directed to execute and deliver any written instruction or certification required by the Trustee to implement this stop-payment direction and confirm the rescission of Requisition No. 11.

5. Payment of Certified District Eligible Costs from the Project Fund. Pursuant to Section 5.1 of the Agreement, and based on the express written direction of the Developer, within three (3) business days of adoption of this District Acceptance Resolution the District shall make a requisition from the Project Fund held by the Trustee (as set forth in Section 3.04(b) of the Indenture), which requisition shall direct the Trustee to disburse Certified District Eligible Costs as follows: (i) $536,474.01 to New Salem Vision 1, LLC, and (ii) $939,225.15 to Salem City, as reimbursement for District Eligible Costs incurred by or on behalf of the Developer and accepted by the District. Such payment to Salem City shall constitute full and complete reimbursement of those District Eligible Costs, and shall be deemed payment to the Developer for all purposes under the Agreement.

[Signature Page Follows.]

ADOPTED THIS 23rd DAY OF OCTOBER, 2025.

DISTRICT:

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Utah

By: __________________________________
Officer of the District

Attest:

By: __________________________________
Secretary

Exhibit A

Engineer Cost Certification

Revised Cost Certification #4

Issued for

NS Public Infrastructure District No. 1

Submitted:

October 21, 2025

Report By:

The Connextion Group - Civil LLC

4785 Tejon Street, Suite 101

Denver, CO 80211

October 21, 2025

NS Public Infrastructure District No. 1
c/o WBA, Local Government Law
350 E 400 S, #2301
Salt Lake City, UT 84111

REVISED Cost Certification #4 Issued For NS Public Infrastructure District No. 1

The Connextion Group (the "Engineer") was engaged by NS Public Infrastructure District No. 1 (the "District") to serve as the District Engineer. The District has the power to provide public infrastructure, improvements, facilities and services (the "District Eligible Costs"). New Salem Vision 1, LLC (the "Developer") has incurred costs related to the acquisition, financing, planning, design, construction, and installation of public infrastructure required for the New Salem Commercial Area "A" (the "Project"); and the District has entered into an Infrastructure Acquisition And Reimbursement Agreement that establishes a process by which the District Eligible Costs shall be certified for reimbursement.

The Developer has provided copies of invoices or statements for District Eligible Costs and evidence of payment and the Engineer has reviewed the invoices and other material presented to substantiate the District Eligible Costs proposed for reimbursement.

This Engineer's cost certification is for the purpose of outlining the Engineer's review procedure and certifying that, in the Engineer's professional opinion, the District Eligible Costs are reasonable as compared to the costs for similar improvements or services in a substantially similar area as the District and are related to the provision of the Public Infrastructure. Subject to the procedure and limitations outlined below, the Engineer found that from the invoices reviewed the District Eligible Costs payable to the Developer total **$536,474.01.**

In addition, the Developer received an invoice from Salem City Corporation for electrical distribution and other fees related to the New Salem Plat B Commercial area. As part of Cost Certification No. 4, issued for NS Public Infrastructure District No. 1 on September 23, 2025, both electrical distribution costs and certain development fees were initially considered District Eligible Costs for direct payment to the City.

Following additional review and coordination with the City, it was determined that additional electrical infrastructure will be required to serve the Project. Furthermore, to provide a conservative interpretation of the District Eligible Costs as outlined in the District's Governing Document, it was concluded that the pre-paid cash fees should be excluded as District Eligible Costs. Accordingly, the total eligible amount for payment to the City and certified under Cost Certification No. 4 is hereby revised to **$939,225.15**. This revised amount reflects only the qualifying prepaid electrical fees, which cover the full 600A system and the 200A system for Plat B. Additional costs for the 200A system for Plat A will be addressed once final design is complete.

The City has indicated that the prior check issued in conjunction with Requisition No. 11, in the amount of $655,024.92 (as certified under the original Cost Certification No. 4), will be voided and shredded upon receipt of the revised check proposed in this report. The check issued to the Developer in conjunction with Requisition No. 10, in the amount of $536,474.01, has been deposited; therefore, no further payment to the Developer is required as part of this report.

Procedure:

This procedure for cost certification was developed for the Engineer to obtain an understanding of the project and related costs while maintaining a reasonable level of cost. The District should review the process and inform the Engineer if any part of the procedure or report is deemed unacceptable.

1. The Engineer participated in calls with the District's representatives, consultants, and the Developer to gain a better understanding of the needs and expectations of each party.

2. The Engineer reviewed the agreements and drawings provided by the District and Developer to identify the Districts powers, eligibility of improvements, and Developer documentation submittal requirements. A list of these documents is included as Attachment A.
3. The Engineer reviewed the Developer invoices and the other materials presented as part of the application for acceptance to substantiate the amount of District Eligible Costs submitted for reimbursement and completeness of the application.
4. The submitted costs were compared to the costs for similar improvements or services in a substantially similar area to the District. Certain softs costs were compared to the total anticipated hard costs for the purpose of determining reasonableness.
5. The Engineer performed select quantity take-off from the construction drawings to verify invoiced quantities are within reason.
6. The Engineer provided the report to the District and Developer for review and confirmation that the Engineer's understanding is accurate to the best of their knowledge.

Analysis Limitations:

- The procedure is intentionally simplistic to provide a streamlined process that is understandable by the public while delivering our service with heightened cost-efficiency. Different review methodology may result in variations of the costs presented. This report will be prepared for a specific purpose. Users of the report for purposes other than those outlined are advised to seek professional guidance tailored to their specific circumstances.
- The conclusions presented in the report are based on assumptions that may change overtime. Changes in market conditions, regulatory changes, and other factors could significantly impact the costs for development. The costs outlined are estimates based on current data and assumptions.
- The Engineer assumed documentation provided by the District, Developer, or their affiliates is true and correct. The Engineer did not verify the accuracy of the submittal documents.
- The Engineer assumed the improvements were built as shown on the construction drawings provided for review.
- The Engineer relied on the construction of drawings and plat to determine quantities and ownership. The Engineer did not self-confirm the current land ownership or if any claims against the land exist.
- The Engineer did not verify if other relevant agreements pertaining to the Development exist. Should relevant agreements be discovered in the future the Developer should promptly notify the District.
- The Engineer did not self-confirm compliance with design and construction standards.
- Defects may not be immediately apparent, and improvements may function for prolonged periods prior to becoming visually detectable. The Engineer did not confirm if improvements defects are present or perform the necessary engineering services to determine such.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it unfit for use. No responsibility is assumed for such conditions or for engineering which may be required to discover such.
- The Engineer did not verify the condition of the improvements or if the improvements are fit for their intended purpose.
- Partially completed improvements may be subject to deterioration or damage if left unfinished, which could result in the necessity for complete replacement rather than continuation or repair of the existing work. This report does not constitute a recommendation for acceptance of any improvements.
- Professional fees are not an "apples to apples" comparison, nor are they the only element to consider when analyzing for reasonableness. However, comparing professional service costs to the total hard costs or other projects provides insight and a base to begin evaluation.
- The conclusions presented in this report are reliant on the accuracy of statements from other professionals or the Developer.
- The Engineer assumed that the costs submitted pertain to infrastructure that is free and clear of any liens or encumbrances whatsoever. The Engineer did not self-confirm if any claims against the improvement exist or make a public post regarding the same.

- The Engineer did not verify if requirements or certifications prior to the use of bond proceeds by the District are required as part of the bond documents.
- The Engineer did not verify that the improvements were paid for by the Developer or that the Developer is entitled to reimbursement for the improvements. It is assumed that the Developer holds the right to reimbursement for any costs not directly paid by the Developer but were submitted and included as part of this report.
- No site visit to the development was made and the Engineer did not self-confirm completion or compliance with design and construction standards.

Understanding of Improvement Eligibility:

The District serves the public infrastructure needs for the Development and is authorized to provide planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance and financing of all public improvements which fall within the categories listed in Exhibit D of the Governing Document and as may be modified and more fully set forth in the approved improvement plan. The District may finance public improvements which fall outside those set forth in the Governing Document and approved improvement plan with written consent of the City. The offsite improvements included in this report are included as part of the improvement plan and are intended to be dedicated to another governmental entity for public use.

Summary of Project Improvements Certified in This Report:

The District Eligible Costs outlined in this report pertain to certain off-site utility mains and their related infrastructure, to provide the access to culinary water and sewer services necessary to develop property within the District.

The Developer entered into a cost sharing agreement with Woodside Homes to ensure that each of them should share equitably in the costs associated with the off-site improvements. Pursuant to the agreement Woodside Homes is to construct the infrastructure but the Developer is responsible for repayment to Woodside Homes for its share of the costs. The Developer's share of the costs were calculated based on the percentages shown in Table 1, which are consistent with those shown in the cost sharing agreement. The Woodside Homes's share of the costs were considered not eligible. The Developer has previously been reimbursed for only a portion of their share and is now requesting reimbursement for the unreimbursed portion of their share of the total eligible costs. As a result, the Developer's portion of the eligible improvements was reduced by the amount previously reimbursed.

Table 1: Off-Site Improvement Cost Share Percentages

	Developer	Woodside
Water Infrastructure	51.85%	48.15%
Sewer Infrastructure	47.55%	52.45%
Land Drain	50.00%	50.00%
Grading	50.00%	50.00%
Misc (Erosion Control)	50.00%	50.00%

Developer Documentation Submittals:

The District Eligible Costs outlined in this report pertain to services and/or work directly related to the ability of the District to provide housing and are improvements in which are to be dedicated to another governmental entity. The Developer was required to submit the following documents to the District as part of the Application for Acceptance of District Eligible Costs - Dedicated Public Infrastructure". The Engineer's findings are included under each item and the application for acceptance is included as Attachment B.

<u>Requirements for Public Infrastructure Costs prior to conditional by the applicable governmental entity</u>

1. Construction drawings:
   Findings: Construction drawings were provided for the offsite improvements.

2. Copies of invoices, statements, and evidence of payment:
   Findings: Pay applications for expenditure included in this report were provided. Unconditional lien waivers were provided and used to verify payment to the vendor was made. A draw request form and email from the Developers lender were provided to substantiate payment in accordance with the cost share agreement.
3. Letter establishing the Developers obligation to undertake all necessary steps to final acceptance:
   Findings: It is our understanding that the Woodside Homes posted a cash payment in the amount of $1,324,396.93 to the city guaranteeing the completion of the improvements. A copy of the bond estimate and payment were provided.
4. Evidence that real property interests necessary for the Districts use and Occupancy have been granted:
   Findings: The master development agreement indicates that the master developer is required to grant to the City, at no cost to the City, all easements, rights-of-way, and publicly-owned parcels necessary for the operation, maintenance, and replacement of all utilities, parks, trails, and City facilities located within the New Salem Development.
5. Executed bill of sale:
   Findings: No bill of sale was provided for the Engineer's review. The Engineer recommends the District's legal counsel collect and approve the form of the document.
6. License agreement or similar authorizing the District to conduct work if the Developer fails to do so:
   Findings: No agreement was provided for the Engineers review. It is the Engineer's understanding that the District has determined that the cash payment, in lieu of the development bond, is sufficient to waive this requirement.
7. Such information as the District Engineer and District Accountant may determine is necessary:
   Findings: A copy of the governing document, concept plan, and development agreement were provided. The Engineer did not verify if the District Accountant requires additional information to issue the accountant's certification.
8. When ultimately produced, a complete set of digital record drawings of the Public Infrastructure:
   Findings: Developer has indicated they will provide as-built drawings at completion of the improvements in the application for acceptance.
9. Operation and maintenance manuals otherwise a commitment to provide when available:
   Findings: No O&M manuals are applicable for the improvements included in this report.
10. Evidence that any underground facilities are electronically locatable:
    Findings: The developer provided the agreement with the contractor in which the Contractor agrees to install all work in a workmanlike manner and in conformance with the design. No additional evidence was provided.
11. Test results for improvements conforming to industry standards:
    Findings: Compaction testing results for the backfill of the improvements were provided.
12. Pressure test results for any irrigation system:
    Findings: No irrigation system is included in this report.

Engineers Review of Invoices:

The Engineer reviewed each invoice submitted by the Developer to determine the scope of work or materials being invoiced and to substantiate the District Eligible Costs. The Engineer's findings regarding the general scope, associated proof of payment, and District Eligible Cost for each invoice are included in a table in Attachment C. When possible, the Engineer assigned each expenditure to one of the cost categories included in the Application for Acceptance of District Eligible Costs based specific expenditure scope. Table 2 includes the Engineer allocation of the District Eligible Costs per the categories.

Table 2: District Eligible Costs Per Cost Category

District Eligible Costs	
Organizational Costs	$0.00
Street	$0.00
Parks and Recreation	$0.00
Water	$12,429.37
Sanitation/Storm Sewer	$524,044.64
Total for Cost Certification #4	**$ $536,474.01**

Note: amounts proposed for direct payment to the City have been excluded from Table 2.

City Fees Proposed for Direct Payment to the City:

The Developer has been invoiced by Salem City for various fees associated with the New Salem Plat B Commercial project. These fees include permit fees, inspection fees, electrical infrastructure costs, and other prepaid cash fees required as part of the development approval process. The Developer originally requested that the District make direct payment to the City for these fees on its behalf.

As originally outlined in Cost Certification No. 4 (dated September 23, 2025), both electrical distribution costs and certain development fees were considered for payment as District Eligible Costs. However, following additional review and coordination with Salem City, it was determined that additional electrical infrastructure will be required to provide service to the Project. Based on this updated understanding and to apply a conservative interpretation of the District's Governing Document, it was concluded that only the electrical infrastructure fees (i.e., 600A and 200A service) are eligible for payment using PID proceeds. All other prepaid cash fees, including inspection and permit fees, have been excluded from this revised certification.

Accordingly, the total amount now deemed eligible for direct payment by the District to Salem City is $939,225.15, which includes only the qualifying electrical service fees. This amount covers both the full 600A system and the 200A system for Plat B. Additional electrical fees associated with the 200A system for Plat A will be evaluated and considered for certification once final design is complete.

It is the Engineer's understanding that Salem City has confirmed that the previous check issued under Requisition No. 11 in the amount of $655,024.92 (originally certified as part of Cost Certification No. 4) will be voided and destroyed upon receipt of the revised check in the amount of $939,225.15.

Table 3: Fees Eligible for District payment Per Cost Category

District Eligible Costs	
Salem Power Electric Fee	$939,225.15
Street/Development Fees	$0.00
Water Fees	$0.00
Total Fees Eligible for District payment:	**$939,225.15**

Conclusion:

The Engineer has reviewed the invoices and other materials presented to substantiate the District Eligible Costs proposed for reimbursement. In the Engineer's professional opinion, the District Eligible Costs are reasonable when compared to the costs for similar improvements or services in a substantially similar area to the District, and are related to the provision of the Public Infrastructure. Subject to the analysis limitations and procedures outlined, the total District Eligible Costs included in this report amount to **$1,475,699.16.** Of this amount:

- **$536,474.01** is eligible for payment to the Developer. No additional payment is required as part of this revised report, as this amount has not changed from the original Cost Certification No. 4 and has already been received by the Developer.

- **$939,225.15** is eligible for payment to Salem City Corporation. The prior check issued in the amount of $655,024.92 (as certified under the original Cost Certification No. 4) will be voided by the City upon receipt of a revised check in the amount of $939,225.15, as certified in this report. If it is determined that the City has not voided the original check, then a new check should be issued only for the difference between the previously issued amount and the revised eligible total — a check in the amount of $284,200.23.

The District's accountant may require additional information from the Developer prior to issuing the accountant's certification, and this report may require updates if the District's accountant finds discrepancies in the provided documentation. Thank you for your attention to detail on this matter. Please contact us with any questions or concerns.

Sincerely,
The Connextion Group – Civil, LLC

Chase Hanusa, PE
Principal

Attachments:
Attachment A – Agreements and Drawings Reviewed
Attachment B – Developer Application for Acceptance
Attachment C – Invoice Tabulation and Engineer's Understanding of Scopes

Attachment A: Agreements and Drawings Reviewed

The Engineer reviewed the agreements and drawings listed below as part of the cost certification process.

- Governing Document for NS Public Infrastructure District Nos. 1, 2, 3, 4 and 5 Salem City Utah. dated March 15, 2024
- Infrastructure Acquisition And Reimbursement Agreement, by and between NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1, an independent political subdivision of the State of Utah (the "District"), and NEW SALEM VISION 1, LLC, a Utah limited liability company, made and entered into as of the 31st day of October, 2024.
- Master Development Agreement for New Salem Vision, dated November 11, 2023
- New Salem Offsite Sewer And Water Construction documents, by LEI Engineering, dated 8/27/2024

EXHIBIT A

Application for Acceptance of District Eligible Costs
Dedicated Public Infrastructure

Applicant Name: New Salem Vision 1, LLC

Applicant Address: 8417 S. Etienne Way, Sandy

State: Utah **Zip:** 84093 **Daytime Phone #:** 801.598.5838

Alt. Phone / Cell: ______

Email: boyd@kw.com

Please complete the table below and attach the materials specified in Schedule 1 hereto:

Category	Entity that will own, operate, and/or maintain the Public Infrastructure	Final, preliminary or conditional acceptance by the applicable governmental entity (Yes/No)	Proposed District Eligible Costs
Street	N/A		
Parks and Recreation	N/A		
Water	Salem City	No	$12,429.37
Sanitation/Storm Sewer	Salem City	No	$524,044.64
Transportation			
Mosquito			
Safety Protection			
Fire Protection			
Television Relay and Translation			
Security			

By its signature below, the Applicant certifies that this Application for Acceptance of District Eligible Costs - Dedicated Public Infrastructure and all documents submitted in support of this application are true and correct, that the Applicant is authorized to sign this application, and that the costs submitted for reimbursement herein qualify as District Eligible Costs in accordance with the Infrastructure Acquisition and Reimbursement Agreement.

Signature: DocuSigned by: Boyd Brown 409039AC60FB4BF...

Date: 9/29/2025 | 14:54 MDT

EXHIBIT B

Application for Acceptance of District Eligible Costs
Capital Services Costs

Applicant Name: New Salem Vision 1, LLC

Applicant Address: 8417 S. Etienne Way, Sandy

State: Utah **Zip:** 84093 **Daytime Phone #:** ____________________

Alt. Phone / Cell: ____________________

Email: ____________________

Description of the nature of the Eligible Service Costs and the relation to Public Infrastructure, as applicable: Various fees associated with the New Salem Plat B Commercial project. These include permit fees, inspection fees, infrastructure costs, and other prepaid cash fees required as part of the development approval process.

Category	Proposed District Eligible Costs
Organizational Costs	
Street	
Parks and Recreation	
Water	
Sanitation/Storm Sewer	
Transportation	
Mosquito	
Safety Protection	
Fire Protection	
Television Relay and Translation	
Security	
Electrical Service	$939,225.15

NOTE: Payment is proposed to be made to Salem City (30 W 100 South, Salem UT 84653)

This application supersedes the previous application associated with these costs, totaling $655,024.92, which was signed on September 29, 2025.

By its signature below, the Applicant certifies that this Application for Acceptance of Eligible Service Costs and all documents submitted in support of this application are true and correct, that the Applicant is authorized to sign this application, and that the costs submitted for reimbursement herein qualify as District Eligible Costs in accordance with the Infrastructure Acquisition and Reimbursement Agreement.

Signature: ____________________

Date: ____________________

Attachment C: Invoice Tabulation and Engineers Understanding of Scopes

Invoice Number	Invoice Date	Description	Invoice Amount	TOTAL District Eligible Costs	Prior Reimbursement	Reimbursement This Report	Not- Eligible	POP Date	POP #	Additional Information
Jwright Companies, Inc.										
Company/Eligibility Information: JWright is a construction company, serving Wyoming and Utah. They specialize in Residential & Commercial Development, Oil & Gas Services, Heavy Civil Construction and Environmental Services. Jwright is contracted by the adjacent Developer to install the offsite sanitary, water, and land drain improvements. The Developer entered into a cost share agreement to pay for a portion of the offsite improvement costs. The Developers portion of the costs associated with the offsite public utilities were considered eligible for reimbursement less portions previously reimbursed.										
7963 (PA1)	10/17/2024	Offsite Sewer, Water, and Land Drain	$451,203.58	$218,191.55	$90,659.97	$127,531.57	$233,012.03	2/14/2025	UC Waiver	Only Portion Not Previously Reimbursed As Part of CC2
8133 (PA2)	11/27/2024	Offsite Sewer, Water, and Land Drain	$512,600.36	$244,307.69	$78,807.20	$165,500.49	$268,292.67	2/14/2025	UC Waiver	Only Portion Not Previously Reimbursed As Part of CC2
7963 (PA3)	12/25/2024	Offsite Sewer, Water, and Land Drain	$553,087.32	$267,652.08	$102,532.82	$165,119.26	$285,435.24	2/14/2025	UC Waiver	Only Portion Not Previously Reimbursed As Part of CC2
8449 (PA7)	4/23/2025	Offsite Sewer, Water, and Land Drain	$809,019.58	$491,725.85	$413,403.16	$78,322.69	$317,293.73	7/14/2025	UC Waiver	Only Portion Not Previously Reimbursed As Part of CC3
Jwright Companies, Inc. Totals:			**$2,325,910.84**	**$1,221,877.16**	**$685,403.16**	**$536,474.01**	**$1,104,033.68**			
Salem City										
Company/Eligibility Information: Local jurisdiction who charged permitting and construction fees. Prepaid cash fees were considered eligible expenses. Costs associated with the improvments and warrenty bonds were considered non-eligible expenses.										
New Salem Commercial - Plat B - 200A ONLY	10/4/2025	200A Electrical Distribution	$255,870.58	$255,870.58	$0.00	$255,870.58	$0.00		DIRECT PAY TO CITY	Bonds not certified (Only Pre-paid Cash Fees)
New Salem Commercial - Complete 600A Plat A & Plat E	10/4/2025	600A Electrical Distribution	$683,354.57	$683,354.57	$0.00	$683,354.57	$0.00		DIRECT PAY TO CITY	Bonds not certified (Only Pre-paid Cash Fees)
Salem City Totals:			**$939,225.15**	**$939,225.15**	**$0.00**	**$939,225.15**	**$0.00**			
		GRAND TOTAL	**$3,265,135.99**	**$2,161,102.31**	**$685,403.16**	**$1,475,699.16**	**$1,104,033.68**			

Table Generated By: The Connextion Group - Civil, LLC

Note: Partially eligible costs may be rounded

Exhibit B

Accountant Cost Certification

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
GENERAL FUND
2025 AMENDED BUDGET

	BUDGET 2025	AMENDED 2025
BEGINNING FUND BALANCE	$ 135,000	$ 55,000
REVENUES		
Interest income	-	4,500
Total revenues	-	4,500
TRANSFERS IN		
Transfers from other funds	-	56,020
Total funds available	135,000	115,520
EXPENDITURES		
General and administrative		
Accounting	20,000	20,000
Auditing	7,000	8,500
Insurance	4,000	3,000
Legal	20,000	19,500
Total expenditures	51,000	51,000
TRANSFERS OUT		
Transfers to other funds	-	4,000
Total expenditures and transfers out requiring appropriation	51,000	55,000
ENDING FUND BALANCE	$ 84,000	$ 60,520
WORKING CAPITAL FUND	$ 84,000	$ 60,520
TOTAL RESERVE	$ 84,000	$ 60,520

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
CAPITAL PROJECTS FUND
2025 AMENDED BUDGET

	BUDGET 2025	AMENDED 2025
BEGINNING FUND BALANCE	$ 4,777,800	$ 5,066,449
REVENUES		
Interest income	25,000	130,000
Acceptance of reimbursable costs	4,790,800	5,065,558
Total revenues	4,815,800	5,195,558
Total funds available	9,593,600	10,262,007
EXPENDITURES		
Capital Projects		
Legal	-	8,900
Accounting	-	3,500
Recognition of reimbursable costs	4,790,800	5,065,558
Repayment of accepted costs	4,790,800	5,065,558
Engineering	12,000	7,500
Contingency	-	30,000
Total expenditures	9,593,600	10,181,016
TRANSFERS OUT		
Transfers to other funds	-	56,020
Total expenditures and transfers out requiring appropriation	9,593,600	10,237,036
ENDING FUND BALANCE	$ -	$ 24,971

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ 6,514,900	$ 6,473,549	$ 6,473,549	$ 1,024,104
REVENUES					
Bond issuance proceeds	7,280,000	-	-	-	-
Bond discount	(206,242)				
Interest income	-	75,000	98,722	108,400	4,150
Acceptance of reimbursable costs	134,928	4,790,800	1,762,752	5,065,558	-
Assessment revenues	-	-	-	-	245,600
Total revenues	7,208,686	4,865,800	1,861,474	5,173,958	249,750
TRANSFERS IN	1,421,109	-	-	60,020	28,971
Total funds available	8,629,795	11,380,700	8,335,023	11,707,527	1,302,825
EXPENDITURES					
General Fund	14,009	51,000	19,174	51,000	52,020
Debt Service Fund	-	437,160	-	421,387	440,800
Capital Projects Fund	721,128	9,593,600	3,533,842	10,151,016	-
Total expenditures	735,137	10,081,760	3,553,016	10,623,403	492,820
TRANSFERS OUT	1,421,109	-	-	60,020	28,971
Total expenditures and transfers out requiring appropriation	2,156,246	10,081,760	3,553,016	10,683,423	521,791
ENDING FUND BALANCES	$ 6,473,549	$ 1,298,940	$ 4,782,007	$ 1,024,104	$ 781,034
WORKING CAPITAL FUND	$ 55,000	$ 84,000	$ 38,405	$ 60,520	$ 29,871
CAPITALIZED INTEREST	655,200	440,440	655,200	237,813	-
RESERVE FUND	696,900	728,000	696,900	696,900	696,900
TOTAL RESERVE	$ 1,407,100	$ 1,252,440	$ 1,390,505	$ 995,233	$ 726,771

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ 135,000	$ 55,000	$ 55,000	$ 60,520
REVENUES					
Interest income	-	-	2,579	4,500	400
Developer advance	-	-	-	-	-
Total revenues	-	-	2,579	4,500	400
TRANSFERS IN					
Transfers from other funds	69,009	-	-	56,020	24,971
Total funds available	69,009	135,000	57,579	115,520	85,891
EXPENDITURES					
General and administrative					
Accounting	369	20,000	9,551	20,000	20,520
Auditing	-	7,000	-	8,500	8,500
Insurance	-	4,000	2,584	3,000	4,000
Legal	13,640	20,000	7,039	19,500	19,000
Total expenditures	14,009	51,000	19,174	51,000	52,020
TRANSFERS OUT					
Transfers to other fund	-	-	-	4,000	4,000
Total expenditures and transfers out requiring appropriation	14,009	51,000	19,174	55,000	56,020
ENDING FUND BALANCES	$ 55,000	$ 84,000	$ 38,405	$ 60,520	$ 29,871
WORKING CAPITAL FUND	$ 55,000	$ 84,000	$ 38,405	$ 60,520	$ 29,871
TOTAL RESERVE	$ 55,000	$ 84,000	$ 38,405	$ 60,520	$ 29,871

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ 1,602,100	$ 1,352,100	$ 1,352,100	$ 938,613
REVENUES					
Assessment revenues	-	-	-	-	245,600
Interest income	-	50,000	23,407	3,900	3,750
Total revenues	-	50,000	23,407	3,900	249,350
TRANSFERS IN					
Transfers from other funds	1,352,100	-	-	4,000	4,000
Total funds available	1,352,100	1,652,100	1,375,507	1,360,000	1,191,963
EXPENDITURES					
Debt Service					
Bond interest	-	433,160	-	417,387	436,800
Paying agent fees	-	4,000	-	4,000	4,000
Total expenditures	-	437,160	-	421,387	440,800
Total expenditures and transfers out requiring appropriation	-	437,160	-	421,387	440,800
ENDING FUND BALANCES	$ 1,352,100	$ 1,214,940	$ 1,375,507	$ 938,613	$ 751,163
CAPITALIZED INTEREST	$ 655,200	$ 440,440	$ 655,200	$ 237,813	$ -
RESERVE FUND	696,900	728,000	696,900	696,900	696,900
TOTAL RESERVE	$ 1,352,100	$ 1,168,440	$ 1,352,100	$ 934,713	$ 696,900

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ 4,777,800	$ 5,066,449	$ 5,066,449	$ 24,971
REVENUES					
Bond issuance proceeds	7,280,000	-	-	-	-
Bond discount	(206,242)	-	-	-	-
Acceptance of reimbursable costs	134,928	4,790,800	1,762,752	5,065,558	-
Interest income	-	25,000	72,736	100,000	-
Total revenues	7,208,686	4,815,800	1,835,488	5,165,558	-
Total funds available	7,208,686	9,593,600	6,901,937	10,232,007	24,971
EXPENDITURES					
Capital Projects					
Legal	6,606	-	5,401	8,900	-
Accounting	966	-	662	3,500	-
Recognition of costs	134,928	4,790,800	1,762,752	5,065,558	-
Repayment of reimbursable costs	134,928	4,790,800	1,762,752	5,065,558	-
Engineering	-	12,000	2,275	7,500	-
Bond issue costs	443,700	-	-	-	-
Total expenditures	721,128	9,593,600	3,533,842	10,151,016	-
TRANSFERS OUT					
Transfers to other fund	1,421,109	-	-	56,020	24,971
Total expenditures and transfers out requiring appropriation	2,142,237	9,593,600	3,533,842	10,207,036	24,971
ENDING FUND BALANCES	$ 5,066,449	$ -	$ 3,368,095	$ 24,971	$ -

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On April 3, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the NS Public Infrastructure District No. 1 (the District) and Nos. 2-5 (together with the District, the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on May 2, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

Expenditures

Administrative Expenditures

Administrative and operations expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, district management, insurance, and other administrative expenses.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Interest payments are provided based on the schedule of debt service requirements to maturity for the Series 202 Bonds (discussed under debt and leases).

Debt and Leases

The District issued the Bonds on December 17, 2024, with a par amount of $7,280,000. The Bonds were sold at a discount of $206,242.

The Bonds are being issued for the purposes of: (a) financing a portion of public improvements of the development, (b) funding the Reserve Fund to the Reserve Requirement, (c) paying capitalized interest on the Bonds, and (d) paying other costs in connection with the issuance of the Bonds. The Assessment Bonds are secured by and payable from Assessments levied and received under the Assessment Ordinance against certain properties within the District's Assessment Area benefited by the improvements.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$7,280,000 Special Assessment Bonds
Series 2024
Dated December 17, 2024
Interest Rate - 6.000%
Interest Payable June 1 and December 1
Principal Payable December 1

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 436,800	$ 436,800
2027	-	436,800	436,800
2028	260,000	436,800	696,800
2029	275,000	421,200	696,200
2030	290,000	404,700	694,700
2031	305,000	387,300	692,300
2032	325,000	369,000	694,000
2033	345,000	349,500	694,500
2034	365,000	328,800	693,800
2035	390,000	306,900	696,900
2036	410,000	283,500	693,500
2037	435,000	258,900	693,900
2038	460,000	232,800	692,800
2039	490,000	205,200	695,200
2040	520,000	175,800	695,800
2041	550,000	144,600	694,600
2042	585,000	111,600	696,600
2043	620,000	76,500	696,500
2044	655,000	39,300	694,300
Total	#########	#########	##########

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On April 3, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the NS Public Infrastructure District No. 1 (the District) and Nos. 2-5 (together with the District, the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on May 2, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

No revenues are anticipated in 2026.

Expenditures

No expenditures are anticipated in 2026.

This information is an integral part of the accompanying budget.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 4

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 4
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

See summary of significant assumptions.

PRELIMINARY DRAFT - SUBJECT TO REVISION

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 4
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On April 3, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the NS Public Infrastructure District No. 1 (the District) and Nos. 2-5 (together with the District, the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on May 2, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

No revenues are anticipated in 2026.

Expenditures

No expenditures are anticipated in 2026.

This information is an integral part of the accompanying budget.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 5
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ending December 31,

10/21/25

	ACTUAL 2024	BUDGET 2025	ACTUAL 6/30/2025	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ -	$ -	$ -	$ -	$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	-	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-	-	-
ENDING FUND BALANCES	$ -	$ -	$ -	$ -	$ -

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

On April 3, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the NS Public Infrastructure District No. 1 (the District) and Nos. 2-5 (together with the District, the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on May 2, 2024, which was recorded in the real property records of the Utah County Recorder on June 12, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

No revenues are anticipated in 2026.

Expenditures

No expenditures are anticipated in 2026.

This information is an integral part of the accompanying budget.