

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SPECIAL MEETING

Thursday, October 23, 2025, at 11:30 a.m.

ANCHOR LOCATION: 460 W. 50 N. Suite 300, Salt Lake City UT 84101

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

LINK:

<https://us06web.zoom.us/j/84984202613?pwd=QSTnV7bQkFNMQ1Sl1NlijsvnVVgeTL.1>

Meeting ID: 849 8420 2613

Passcode: 321240

BY PHONE: 1- 720-707-2699

Trustees

Burke Staker - Chair

Josh Clark – Clerk/Secretary

Ryan Beck – Treasurer/Vice Chair

Vacant

Vacant

Terms

Term from August 7, 2024 to 6 years from appointment

Term from May 2, 2024 to 6 years from appointment

Term from August 7, 2024 to 4 years from appointment

Term from [date of appointment] to [4 years from appointment]

Term from [date of appointment] to [4 years from appointment]

NOTICE OF 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 Board on matters that affect the District. Comments will be limited to three (3) minutes.
4. Action Items
 - a. Approve Minutes from May 29, 2025 Special Meeting
 - a. Approval of Special Service District Preparation 2026 Statement of Work with CliftonLarsonAllen, LLP
5. Resolutions
 - a. Adoption of 2026 Annual Administrative Resolution, Confirm Anchor Location and 2026 Regular Meetings for the second Friday of January, April, July, October and November, 2026 at 11:00am.
 - b. Adoption of Resolution Adopting District Bylaws

- c. Adoption of Resolution of Cost Acceptance No. 3
- 6. Tentative Amended 2025 Budget
 - a. Consider Adoption of Tentative Amended 2025 Budget and Confirm Public Hearing for November __, 2025 at _____.m. to hear public comment on the same
- 7. Tentative 2026 Budget
 - a. Consider Adoption of Tentative 2026 Budget and Confirm Public Hearing for November __, 2025 at _____.m. to hear public comment on the same
- 8. Administrative Non-Action Items
 - a. Confirmation of Completed Annual Trustee Training – [Open and Public Meetings Act Training 2025](#)
- 9. Adjourn

MINUTES OF A SPECIAL MEETING
NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
BOARD OF TRUSTEES

Thursday, May 29, 2025, at 11:00 a.m.
460 W. 50 N. Suite 300, Salt Lake City UT 84101

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:

Burke Staker

Josh Clark

Ryan Beck

Also present: Megan J. Murphy, Esq. and Betsy F. Russon, Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; Shelby Clymer, David Hutchinson, CliftonLarsonAllen, LLP, District Accountant; and Austin Murray, The Connexion Group, District Engineer.

Call to Order/Declaration of Quorum

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

Preliminary Action Items

Approve Agenda

The Board reviewed the proposed agenda for the meeting. Following review, upon a motion duly made by Mr. Clark and seconded by Mr. Beck, the Board unanimously approved the agenda as presented.

Public Comment

No members of the public were in attendance.

Action Items

Ratification of Auditor Engagement Letter with Haynie & Company:

Ms. Murphy presented the board approval of Auditor Engagement Letter with Haynie & Company to the Board for Ratification. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board ratified the Auditor Engagement Letter with Haynie & Company.

Approve Minutes from February 24, 2025 Special Meeting

Ms. Murphy presented the minutes from the February 24, 2025 special meeting to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board approved the minutes from the February 24, 2025 special meeting.

Adopt Resolution of Cost Acceptance No. 2

Mr. Murray presented the Resolution of Cost Acceptance No. 2 to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board approved the Resolution of Cost Acceptance No. 2.

Approval of 2024 Annual Report

Ms. Murphy presented the 2024 Annual Report to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board approved the 2024 Annual Report.

Ratification Requisition No. 4 (Project Fund) Related to the District's Special Assessment Bonds, Series 2024

Mr. Hutchison presented the Board with approval of Requisition No. 4 (Project Fund) Related to the District's Special Assessment Bonds, Series 2024. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board ratified Requisition No. 4 (Project Fund) Related to the District's Special Assessment Bonds, Series 2024.

Approval of Claims Listing

There were no claims to be presented to the Board.

Approval of March 31, 2025 Unaudited Financial Statements

Mr. Hutchinson presented the March 31, 2025 Unaudited Financial Statements to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board accepted the March 31, 2025 Unaudited Financial Statements.

Administrative Non-Action Items

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

Ms. Murphy reminded the Board members to complete the Trustee Training regarding the Open and Public Meetings Act required by the state auditor for new Board members. No action was taken.

Confirmation of Completed Trustee Training required by state auditor for New Board Members:
<https://training.auditor.utah.gov>

Ms. Murphy reminded the Board members to complete the Trustee Training regarding the Open and Public Meetings Act required by the state auditor for new Board members. No action was taken.

Adjourn

There being no further business to come before the Board 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.

Josh Clark
District Clerk/Secretary

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

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
JOINT ANNUAL ADMINISTRATIVE RESOLUTION
(2026)

WHEREAS, the NS Public Infrastructure District No. 2 (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:	Burke Staker
Treasurer:	Ryan Beck
Clerk:	Josh Clark
Recording Secretary:	Legal Counsel
Records Officer:	Legal Counsel
Chief Administrator Officer	Burke Staker
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 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: 460 W. 50 N. Suite 300, Salt Lake City UT 84101. 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 of January, April, July, October and November, 2026 at 11:00am. 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 17B-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 \$3,500 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.

DISTRICT:

**NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 2**, a quasi-municipal corporation and political
subdivision of the State of Utah

By: _____
Officer of the Districts

Attest:

By: _____

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
CAPITAL PROJECTS FUND
2025 AMENDED BUDGET

	BUDGET 2025	AMENDED 2025
BEGINNING FUND BALANCE	\$ 5,545,381	\$ 6,206,281
REVENUES		
Bond issuance proceeds	-	-
Interest income	50,000	25,000
Acceptance of reimbursable costs	5,580,381	6,065,678
Total revenues	<u>5,630,381</u>	<u>6,090,678</u>
Total funds available	<u>11,175,762</u>	<u>12,296,959</u>
EXPENDITURES		
Capital Projects		
Legal	-	8,900
Accounting	-	3,500
Recognition of reimbursable costs	5,580,381	6,065,678
Repayment of accepted costs	5,580,381	6,065,678
Engineering	15,000	9,500
Contingency	-	15,500
Total expenditures	<u>11,175,762</u>	<u>12,168,756</u>
TRANSFERS OUT		
Transfers to other funds	<u>-</u>	<u>62,620</u>
Total expenditures and transfers out requiring appropriation	<u>11,175,762</u>	<u>12,231,376</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 65,583</u>

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
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	\$ -	\$ 7,391,245	\$ 7,934,782	\$ 7,934,781	\$ 1,696,467
REVENUES					
Bond issuance proceeds	8,470,919	-	-	-	-
Interest income	17,001	105,000	9,266	13,800	4,150
Acceptance of reimbursable costs	-	5,580,381	3,493,750	6,065,678	-
Developer advance	-	-	-	-	-
Total revenues	<u>8,487,920</u>	<u>5,685,381</u>	<u>3,503,016</u>	<u>6,079,478</u>	<u>4,150</u>
TRANSFERS IN	<u>1,732,161</u>	<u>11,000</u>	<u>-</u>	<u>73,620</u>	<u>76,583</u>
Total funds available	<u>10,220,081</u>	<u>13,087,626</u>	<u>11,437,798</u>	<u>14,087,879</u>	<u>1,777,200</u>
EXPENDITURES					
General Fund	7,632	51,000	21,314	51,000	52,020
Debt Service Fund	-	113,536	102,536	113,536	349,650
Capital Projects Fund	545,507	11,175,762	6,997,997	12,153,256	-
Total expenditures	<u>553,139</u>	<u>11,340,298</u>	<u>7,121,847</u>	<u>12,317,792</u>	<u>401,670</u>
TRANSFERS OUT	<u>1,732,161</u>	<u>11,000</u>	<u>-</u>	<u>73,620</u>	<u>76,583</u>
Total expenditures and transfers out requiring appropriation	<u>2,285,300</u>	<u>11,351,298</u>	<u>7,121,847</u>	<u>12,391,412</u>	<u>478,253</u>
ENDING FUND BALANCES	<u>\$ 7,934,781</u>	<u>\$ 1,736,328</u>	<u>\$ 4,315,951</u>	<u>\$ 1,696,467</u>	<u>\$ 1,298,947</u>
WORKING CAPITAL FUND	\$ 62,000	\$ 125,414	\$ 40,917	\$ 63,020	\$ 65,983
CAPITALIZED INTEREST	1,015,950	913,414	913,414	913,414	574,764
SURPLUS FUND	647,000	647,000	649,142	651,000	653,000
TOTAL RESERVE	<u>\$ 1,724,950</u>	<u>\$ 1,685,828</u>	<u>\$ 1,603,473</u>	<u>\$ 1,627,434</u>	<u>\$ 1,293,747</u>

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
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	\$ -	\$ 182,414	\$ 62,000	\$ 62,000	\$ 63,020
REVENUES					
Interest income	421	5,000	231	400	400
Developer advance	-	-	-	-	-
Total revenues	<u>421</u>	<u>5,000</u>	<u>231</u>	<u>400</u>	<u>400</u>
TRANSFERS IN					
Transfers from other funds	69,211	-	-	62,620	65,583
Total funds available	<u>69,632</u>	<u>187,414</u>	<u>62,231</u>	<u>125,020</u>	<u>129,003</u>
EXPENDITURES					
General and administrative					
Accounting	1,466	20,000	10,167	20,000	20,520
Auditing	-	7,000	-	8,500	8,500
Insurance	-	4,000	2,824	3,000	4,000
Legal	6,166	20,000	8,323	19,500	19,000
Total expenditures	<u>7,632</u>	<u>51,000</u>	<u>21,314</u>	<u>51,000</u>	<u>52,020</u>
TRANSFERS OUT					
Transfers to other fund	-	11,000	-	11,000	11,000
Total expenditures and transfers out requiring appropriation	<u>7,632</u>	<u>62,000</u>	<u>21,314</u>	<u>62,000</u>	<u>63,020</u>
ENDING FUND BALANCES	<u>\$ 62,000</u>	<u>\$ 125,414</u>	<u>\$ 40,917</u>	<u>\$ 63,020</u>	<u>\$ 65,983</u>
WORKING CAPITAL FUND	<u>\$ 62,000</u>	<u>\$ 125,414</u>	<u>\$ 40,917</u>	<u>\$ 63,020</u>	<u>\$ 65,983</u>
TOTAL RESERVE	<u>\$ 62,000</u>	<u>\$ 125,414</u>	<u>\$ 40,917</u>	<u>\$ 63,020</u>	<u>\$ 65,983</u>

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
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	\$ -	\$ 1,663,450	\$ 1,666,500	\$ 1,666,500	\$ 1,567,864
REVENUES					
Interest income	3,550	50,000	1,952	3,900	3,750
Total revenues	<u>3,550</u>	<u>50,000</u>	<u>1,952</u>	<u>3,900</u>	<u>3,750</u>
TRANSFERS IN					
Transfers from other funds	1,662,950	11,000	-	11,000	11,000
Total funds available	<u>1,666,500</u>	<u>1,724,450</u>	<u>1,668,452</u>	<u>1,681,400</u>	<u>1,582,614</u>
EXPENDITURES					
Debt Service					
Bond interest - Series 2024A-1(2)	- 102,536	102,536	102,536	102,536	338,650
Paying agent fees	- 11,000	-	-	11,000	11,000
Total expenditures	<u>- 113,536</u>	<u>102,536</u>	<u>113,536</u>	<u>349,650</u>	
Total expenditures and transfers out requiring appropriation	<u>- 113,536</u>	<u>102,536</u>	<u>113,536</u>	<u>349,650</u>	
ENDING FUND BALANCES	<u>\$ 1,666,500</u>	<u>\$ 1,610,914</u>	<u>\$ 1,565,916</u>	<u>\$ 1,567,864</u>	<u>\$ 1,232,964</u>
CAPITALIZED INTEREST	\$ 1,015,950	\$ 913,414	\$ 913,414	\$ 913,414	\$ 574,764
SURPLUS FUND	647,000	647,000	649,142	651,000	653,000
TOTAL RESERVE	<u>\$ 1,662,950</u>	<u>\$ 1,560,414</u>	<u>\$ 1,562,556</u>	<u>\$ 1,564,414</u>	<u>\$ 1,227,764</u>

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
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	\$ -	\$ 5,545,381	\$ 6,206,282	\$ 6,206,281	\$ 65,583
REVENUES					
Bond issuance proceeds	8,470,919	-	-	-	-
Acceptance of reimbursable costs	-	5,580,381	3,493,750	6,065,678	-
Interest income	13,030	50,000	7,083	9,500	-
Total revenues	<u>8,483,949</u>	<u>5,630,381</u>	<u>3,500,833</u>	<u>6,075,178</u>	-
Total funds available	<u>8,483,949</u>	<u>11,175,762</u>	<u>9,707,115</u>	<u>12,281,459</u>	<u>65,583</u>
EXPENDITURES					
Capital Projects					
Legal	4,333	-	4,453	8,900	-
Accounting	-	-	1,021	3,500	-
Recognition of costs	-	5,580,381	3,493,750	6,065,678	-
Repayment of reimbursable costs	-	5,580,381	3,493,750	6,065,678	-
Engineering	-	15,000	5,023	9,500	-
Bond issue costs	541,174	-	-	-	-
Total expenditures	<u>545,507</u>	<u>11,175,762</u>	<u>6,997,997</u>	<u>12,153,256</u>	-
TRANSFERS OUT					
Transfers to other fund	<u>1,732,161</u>	-	-	62,620	65,583
Total expenditures and transfers out requiring appropriation	<u>2,277,668</u>	<u>11,175,762</u>	<u>6,997,997</u>	<u>12,215,876</u>	<u>65,583</u>
ENDING FUND BALANCES	<u>\$6,206,281</u>	\$ -	\$ 2,709,118	\$ 65,583	\$ -

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
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 2024A-1(2) Bonds (discussed under debt and leases).

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On November 12, 2024, the District issued Series 2024A-1(2) Limited Tax General Obligation Bonds, Series 2024 A-2(2) Limited Tax General Obligation Convertible Capital Appreciation Bonds, and Series 2024B Subordinate Limited Tax General Obligation Bonds.

The 2024A-1(2) Bonds were issued in the par amount of \$5,210,000 and bear interest at a rate 6.50% payable annually on March 1 beginning on March 1, 2025. Annual mandatory sinking fund principal payments are due on March 1 beginning on March 1, 2032. The 2024A-2(2) Bonds were issued in the original par amount of \$1,622,919.20, accreting to a principal amount of \$2,660,000, converting to current interest bonds on March 1, 2032. Prior to conversion, the 2024A-2(2) Bonds accrete in value at an assumed annual yield of 7.00% from the date of issuance. Upon conversion, interest and principal is payable annually on March 1 beginning on March 1, 2033. The 2024B Bonds were issued in the par amount of \$1,638,000 and bear interest at a rate of 9.0%. The 2024B Bonds are payable annually on March 15 beginning on March 15, 2025. The 2024B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to maturity and are payable annually only to the extent of available pledged revenues.

This information is an integral part of the accompanying budget.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$5,210,000 Limited Tax General Obligation Bonds

Series 2024A-1(2)

Dated November 12, 2024

Interest Rate - 6.500%

Interest and Principal Payable March 1

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	\$	\$	\$
2026	\$ -	\$ 338,650	\$ 338,650
2027	\$ -	\$ 338,650	\$ 338,650
2028	\$ -	\$ 338,650	\$ 338,650
2029	\$ -	\$ 338,650	\$ 338,650
2030	\$ -	\$ 338,650	\$ 338,650
2031	\$ -	\$ 338,650	\$ 338,650
2032	\$ 25,000	\$ 338,650	\$ 363,650
2033	\$ 60,000	\$ 337,025	\$ 397,025
2034	\$ 70,000	\$ 333,125	\$ 403,125
2035	\$ 75,000	\$ 328,575	\$ 403,575
2036	\$ 85,000	\$ 323,700	\$ 408,700
2037	\$ 95,000	\$ 318,175	\$ 413,175
2038	\$ 105,000	\$ 312,000	\$ 417,000
2039	\$ 115,000	\$ 305,175	\$ 420,175
2040	\$ 125,000	\$ 297,700	\$ 422,700
2041	\$ 140,000	\$ 289,575	\$ 429,575
2042	\$ 155,000	\$ 280,475	\$ 435,475
2043	\$ 165,000	\$ 270,400	\$ 435,400
2044	\$ 180,000	\$ 259,675	\$ 439,675
2045	\$ 195,000	\$ 247,975	\$ 442,975
2046	\$ 215,000	\$ 235,300	\$ 450,300
2047	\$ 235,000	\$ 221,325	\$ 456,325
2048	\$ 250,000	\$ 206,050	\$ 456,050
2049	\$ 275,000	\$ 189,800	\$ 464,800
2050	\$ 295,000	\$ 171,925	\$ 466,925
2051	\$ 320,000	\$ 152,750	\$ 472,750
2052	\$ 345,000	\$ 131,950	\$ 476,950
2053	\$ 370,000	\$ 109,525	\$ 479,525
2054	\$ 400,000	\$ 85,475	\$ 485,475
2055	\$ 915,000	\$ 59,475	\$ 974,475
Total	\$ 5,210,000	\$ 7,837,700	\$ 13,047,700

See summary of significant assumptions.

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$1,622,919 Convertible Capital Appreciation Bonds

Series 2024A-2 (2)

Dated November 12, 2024

Interest Rate - 7.000%

Payable March 1

Conversion Date March 1, 2032

<u>Year Ending December 31,</u>	<u>Issue Amount</u>	<u>Accreted Amount</u>	<u>Total Value at Maturity</u>	<u>Current Interest after Conversion</u>	<u>2024A-2(2) Bonds Debt Service</u>	<u>Bond Principal Outstanding After</u>
2026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	2,660,000
2033	18,304	11,696	30,000	186,200	216,200	2,630,000
2034	18,304	11,696	30,000	184,100	214,100	2,600,000
2035	24,405	15,595	40,000	182,000	222,000	2,560,000
2036	27,455	17,545	45,000	179,200	224,200	2,515,000
2037	30,506	19,494	50,000	176,050	226,050	2,465,000
2038	33,557	21,443	55,000	172,550	227,550	2,410,000
2039	36,607	23,393	60,000	168,700	228,700	2,350,000
2040	42,708	27,292	70,000	164,500	234,500	2,280,000
2041	42,708	27,292	70,000	159,600	229,600	2,210,000
2042	45,759	29,241	75,000	154,700	229,700	2,135,000
2043	54,911	35,089	90,000	149,450	239,450	2,045,000
2044	57,961	37,039	95,000	143,150	238,150	1,950,000
2045	64,063	40,937	105,000	136,500	241,500	1,845,000
2046	70,164	44,836	115,000	129,150	244,150	1,730,000
2047	73,214	46,786	120,000	121,100	241,100	1,610,000
2048	82,366	52,634	135,000	112,700	247,700	1,475,000
2049	88,467	56,533	145,000	103,250	248,250	1,330,000
2050	97,619	62,381	160,000	93,100	253,100	1,170,000
2051	103,720	66,280	170,000	81,900	251,900	1,000,000
2052	112,872	72,128	185,000	70,000	255,000	815,000
2053	122,024	77,976	200,000	57,050	257,050	615,000
2054	131,176	83,824	215,000	43,050	258,050	400,000
2055	244,048	155,952	400,000	28,000	428,000	-
Total	\$ 1,622,919	\$ 1,037,080	\$ 2,660,000	\$ 2,996,000	\$ 5,656,000	

See summary of significant assumptions.