

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**SPECIAL MEETING**

Friday, November 14, 2025, at 11:00 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/87416904732?pwd=yeVNpLes1uVXm9OvwGBTgZQyF8aVb1.1>

Meeting ID: 874 1690 4732

Passcode: 201722

BY PHONE: 1- 720-707-2699

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**Trustees**

Burke Staker - Chair

Josh Clark – Clerk/Secretary

Ryan Beck – Treasurer/Vice Chair

Vacant

Vacant

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**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. Public Hearing
  - a. Conduct a Public Hearing to receive input from the public on the adoption of the tentative amended budget as the final budget for the calendar year of 2025

Members of the public wishing to comment may connect electronically at:  
<https://us06web.zoom.us/j/87416904732?pwd=yeVNpLes1uVXm9OvwGBTgZQyF8aVb1.1>; Meeting ID: 874 1690 4732; Passcode: 201722

- b. Conduct a Public Hearing to receive input from the public on the adoption of the tentative budget as the final budget for the calendar year of 2026

Members of the public wishing to comment may connect electronically at:  
<https://us06web.zoom.us/j/87416904732?pwd=yeVNpLes1uVXm9OvwGBTgZQyF8aVb1.1>; Meeting ID: 874 1690 4732; Passcode: 201722

5. Action Items

- a. Approve Minutes from October 23, 2025 Special Meeting
- b. Approval of Special Service District Preparation 2026 Statement of Work with CliftonLarsonAllen, LLP
- c. Approval of Proposal for 2025 Audit Services
- d. Approval of Claims Listing
- e. Approval of September 30, 2025 Unaudited Financials
- f. Resolutions
  - i. Adoption of Resolution Adopting District Bylaws
  - ii. Ratification of Resolution of Cost Acceptance No. 3
  - iii. Consider Adoption of Final Amended Operating and Capital Budget for Calendar Year 2025 and Adopt Resolution Adopting the 2025 Amended Budget
  - iv. Consider Adoption of Final Operating and Capital Budget for Calendar Year 2026 and Adopt Resolution Adopting the 2026 Budget

6. Administrative Non-Action Items

- a. Confirmation of Completed Annual Trustee Training – [Open and Public Meetings Act Training 2025](#)

7. Adjourn

**MINUTES OF A SPECIAL MEETING**

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

**BOARD OF TRUSTEES**

Thursday, October 23, 2025, at 11:30 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.*

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**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 – in person at anchor location  
Ryan Beck – via teleconference

Also present: Megan J. Murphy, Esq. and Betsy Fowler-Russon, Esq., WBA, PC, District General Counsel; Shelby Clymer, David Hutchinson, CliftonLarsonAllen, LLP, District Accountant; Chase Hanusa and Austin Murray, The Connexion Group, District Engineer.

Trustee Josh Clark was absent and excused.

**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. Staker 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**

Approve Minutes from May 29, 2025 Special Meeting

*Ms. Murphy presented the minutes from the May 29, 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 May 29, 2025 special meeting.*

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

*Mr. Hutchinson presented the Special Service District Preparation 2026 Statement of Work with CliftonLarsonAllen, LLP 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 Special Service District Preparation 2026 Statement of Work with CliftonLarsonAllen, LLP.*

## **Resolutions**

Adoption of Joint 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.

*Ms. Murphy presented the 2026 Annual Administrative Resolution 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 2026 Annual Administrative Resolution.*

Adoption of Resolution Adopting District Bylaws

*Ms. Murphy presented the Resolution Adopting District Bylaws 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 Adopting District Bylaws.*

Adoption of Resolution of Cost Acceptance No. 3

*Mr. Hanusa presented the Resolution of Cost Acceptance No. 3 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. 3 subject to receipt of final reports.*

Tentative Amended 2025 Budget

*Mr. Hutchinson reviewed the tentative 2025 amended budget with the Board.*

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

*Following discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board tentatively adopted the 2025 amended budget and set a public hearing date of November 14, 2025 at 11:00 a.m. to take public comment on same.*

**Tentative 2026 Budgets**

*Mr. Hutchison reviewed the tentative 2026 budgets with the Board.*

Consider Adoption of Tentative 2026 Budget and Confirm Public Hearing Date to hear public comment on the same

*Following discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board tentatively adopted the 2026 budget and set a public hearing date of November 14, 2025 at 11:00 a.m. to take public comment on same.*

**Administrative Non-Action Items**

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

*Trustee Staker confirmed that all Trustee Trainings have been completed.*

**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.

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Josh Clark  
District Clerk/Secretary

The foregoing minutes were approved on the 14<sup>th</sup> day of November, 2025.

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**RESOLUTION ADOPTING DISTRICT BYLAWS**

**WHEREAS**, NS Public Infrastructure District No. 2 (the “**District**”) is 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 District Board of Trustees (the “**Board**”) is authorized under Utah Code Sections [17D-4-103](#) and [17B-1-301\(2\)\(h\)](#) to adopt bylaws; and

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

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

1. Adoption of District Bylaws. The Board hereby adopts the N.S. Public Infrastructure District No. 2 Bylaws (the “**Bylaws**”) set forth in **Exhibit A**, attached hereto and incorporated herein.

*Remainder of Page Intentionally Left Blank, Signature Page Follows*

**EXHIBIT A**  
(Bylaws)

# NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2

## BYLAWS

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### PREAMBLE

These Bylaws of the NS Public Infrastructure District No. 2 (the “**District**”) are a reaffirmation of the Governing Document (defined below) of the District organized under the laws of the State of Utah with purposes as stated herein.

The District is 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, 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 (together the “**Act**”).

### Article I

#### Name, Purpose, and Powers

The name of this governmental entity is NS Public Infrastructure District No. 2. The Board oversees the operation of the District. On October 2, 2024 the City Council of Salem, Utah (“the “**Approving Entity**”), adopted a resolution authorizing the creation of the District under the Act and approved a governing document for the District (the “**Governing Document**”). Subject to any mandatory restrictions stated in the Governing Document, the District has all powers granted in the Act and any other implied powers necessary to carry out the objectives and purposes of the District. The District was established to provide financing for public infrastructure improvements (the “**Public Improvements**”) to facilitate development within the and without the boundaries of the District.

### Article II

#### Board of Trustees

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

- A. Composition. The Board is composed of three (3) trustees. The trustees of the Board are initially appointed by the Approving Entity. The Board may transition to an elected Board as set forth in the Governing Document.
- B. Quorum. When the Board is composed of five (5) trustees, the presence of three (3) trustees is necessary for a quorum. When the Board is composed of three (3) trustees, the presence of two (2) trustees of the Board is necessary for a quorum. An action by the majority of a quorum constitutes the action of the Board.
- C. Vacancies. When a vacancy occurs on the Board, the vacancy is filled in accordance with the procedures stated in the Governing Document and the Act, as may be amended from time to time.
- D. Qualifications. Qualifications for trustees are as stated under the Act.

## **Article III** **Duties of Trustees**

The Board provides oversight for District functions, including those of parties under contract with the District.

## **Article IV** **Board Officers and Duties**

The Board will elect a Chair, a Treasurer/Vice-Chair, at least one Clerk/Secretary, and a Records Clerk/Recording Secretary. The offices of Chair, Clerk, and Treasurer may not be held by the same person. A Clerk/Secretary and the Records Clerk/Recording Secretary do not need to be a trustee of the Board.

The Board may also engage, under separate written agreements, the following independent professionals: accountant; auditor; engineer; legal counsel; manager; municipal advisor; or other professionals the Board deems appropriate from time to time to carry out the purposes of the District. The roles of some of these professionals are further defined below. Each professional will serve as an independent contractor of the District and shall perform the duties set forth in these Bylaws, in its engagement agreement, and as directed by the Board. No professional or officer may obligate or expend District funds except as specifically authorized by Board action.

- A. **Chair Duties**. The Chair presides over all meetings of the Board and ensures compliance with the Open and Public Meetings Act (see Utah Code [Section 52-4-101](#), *et seq.*). The Chair has the authority to execute all resolutions, contracts, and other instruments approved by the Board. The Chair shall sign requisitions or other payment instructions to the trustee only after the Board has adopted a resolution confirming the amount to be paid and the accountant has certified the amount payable. The Chair shall also be considered the Chief Administrative Officer (“CAO”) of the District under applicable regulatory law. The Chair shall not personally issue or sign checks from District accounts.
  
- B. **Treasurer/Vice Chair (Chief Financial Officer) Duties**. The Treasurer/Vice Chair performs the functional duties of the Chief Financial Officer (“CFO”) of the District pursuant to Utah Code § 17B-1-635, and shall be the custodian of all District funds, deposits, and investments in compliance with Utah Code Section [17B-1-633](#) and the State Money Management Act (see Utah Code [Section 51-7-1](#), *et seq.*). The Treasurer/Vice Chair reviews and approves financial statements including bank and investment reconciliations prepared by the accountant, and co-signs requisitions to the trustee together with the Chair when required by the applicable bond documents or fiscal agency agreement. The Treasurer/Vice Chair shall deposit all District money in one or more qualified depositories in the name of the District and maintain segregated accounts as required by law, bond documents, or Board direction. The Treasurer/Vice Chair shall disburse funds only upon written order or resolution of the Board, including requisitions to a bond trustee under any Indenture, Infrastructure Acquisition and Reimbursement Agreement, or similar instrument.

The Treasurer/Vice Chair may delegate day-to-day bookkeeping to the accountant but shall retain overall financial oversight and fiduciary responsibility. Additionally, the Treasurer/Vice Chair shall preside at any meeting of the Board in the absence of the Chair. The Trustee who serves as Treasurer generally also serves as Vice-Chair, but this is not required.

- C. District Clerk/Secretary Duties. The Clerk/Secretary attends meetings and keeps a record of the proceedings. The Clerk serves as the custodian of the District's seal and attests all documents executed by the Chair. The Clerk/Secretary may sign any documents, including all bond financing documents, as "clerk" or "secretary" of the District; however, the Clerk may not sign a single signature check. The Clerk/Secretary may delegate day to day record management duties to the Records Clerk/Recording Secretary but shall retain overall recording oversight and record keeping responsibility to ensure minutes and adopted resolutions are archived in the official record book. All delegated duties shall remain subject to the Treasurer's oversight and to review by the Board. The District Clerk/Secretary does not need to be a trustee of the Board.
- D. Records Clerk/Recording Secretary Duties: The Records Clerk/Recording Secretary transcribes 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 Clerk/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\(e\)\(ii\)](#). The Records Clerk/ Recording Secretary accepts and manages records, as that term is defined under the Government Records Access and Management Act (see Utah Code [Section 63G-2-103](#), *et seq.*).
- E. District Accountant Duties: The District's Accountant, an independent licensed certified public accounting professional or firm engaged by the Board, shall provide financial management, bookkeeping, and compliance support under the direction of the CFO. The Accountant shall: maintain the District's general ledger and subsidiary accounts in accordance with Generally Accepted Accounting Principles ("GAAP"); prepare monthly and quarterly financial statements, budget-to-actual reports, and reconciliations of all bank, trustee, and investment accounts; review vendor and developer invoices for completeness and eligibility and issue certifications as required under any developer reimbursement agreement; upon adoption of a resolution by the Board authorizing payment, prepare and submit the requisition to the trustee for payment of approved costs, attaching all required certification(s) and Board authorization(s); coordinate with the trustee and Treasurer/Vice Chair to verify fund balances and track project and debt-service accounts, as applicable; assist in preparing the annual budget, audits or compilations, and filings required by the State Auditor and Lieutenant Governor; and implement internal controls consistent with the Utah State Auditor's Fraud Risk Assessment Guide.

1. The District encourages its accountant to participate in continuing professional education related to governmental accounting, auditing standards, and Utah local government compliance. The accountant shall complete at least the minimum number of continuing professional education hours required for a Utah-licensed CPA (currently 80 hours per two-year renewal cycle), of which at least one hour must cover Utah laws & rules and at least three hours must be in ethics. Documentation of such education shall be maintained by the accountant and made available to the Board or Audit Committee upon request.
- F. District Engineer. The District's engineer, a licensed professional engineering firm engaged by the Board, shall: provide design review, cost verification, and technical recommendations for Public Improvements; prepare and issue certifications as required under any developer reimbursement agreement; coordinate with the accountant to ensure consistency between engineering and accounting records; and maintain record drawings and other engineering files for the District. The engineer acts solely as an independent contractor and shall not obligate District funds.
- G. District Legal Counsel. The District's legal counsel, a licensed law firm engaged by the Board, shall: advise the Board on statutory compliance, contracts, open meetings, public records, and ethics; draft and review resolutions, bylaws, agreements, and financing documents; attend Board meetings and provide legal opinions as requested; serve as Records Custodian for legal files when designated by the Board; and serve as the Recording Clerk/Recording Secretary when designated by the Board. Legal counsel shall not sign checks or authorize financial transactions.
- H. District Municipal Advisor. Pursuant to Utah Code [Section 17D-4-102\(12\)](#), the District's municipal advisor shall: advise the District on matters related to the issuance of bonds, including the pricing, sales, and marketing of bonds and the procuring of bond ratings, credit enhancement, and insurance with respect to bonds. The District's municipal advisor shall be qualified to give the advice outline above; shall not be an officer or employee of the District; has not been engaged to provide underwriting services in connection with a transaction in which the municipal advisor will provide advice to the District; and has experience doing business related to the issuance of bonds in Utah. The Municipal Advisor shall not act as Treasurer, Accountant, or custodian of funds.
- I. Custody of Funds. Pursuant to [Utah Code Section 17B-1-633\(2\)](#), the Treasurer/Vice Chair is the statutory custodian of all District funds. All District monies, whether bond proceeds, assessments, or tax revenues, shall be maintained in accounts held either by: (a) the trustee, which shall serve as fiduciary custodian of all bond proceeds, investment accounts, and related reserves; or (b) qualified public depositories authorized under the Utah Money Management Act for operating or administrative accounts maintained by the District. The District's accountant shall maintain and reconcile all financial records and operating

accounts on behalf of the District, and the Treasurer/Vice Chair shall review and approve all bank and trustee reconciliations and certify compliance to the Board.

## **Article V Meetings**

- A. Regular Meetings. Pursuant to Utah Code Section 52-4-202(2)(a), the Board hereby determines to hold regular meetings as specified in the District's Annual Administrative Resolution. For this District, regular meetings are tentatively scheduled for the third week of January, April, July, October, and November at a time that will be specified in the future, unless otherwise provided in the Annual Administrative Resolution or by subsequent Board action. 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.
- B. Special Meetings. Special meetings may be called by the Chair. At the request of any two Trustees, the Chair must call a special meeting. The Chair or other authorized person on the Chair's behalf shall email, mail, fax or otherwise deliver written notice of special meetings to the Trustees at least twenty-four hours before the date of each special meeting. Notice to the public of all special meetings will be made pursuant to the Utah Open and Public Meetings Act. Most meetings of the Board are anticipated to be special meetings.
- C. Emergency Meetings. 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.
- D. 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.
- E. Meetings by Telephone or Video Conferencing. Members of the Board may participate in a meeting of the Board by means of conference telephone, video conferencing, or similar communications equipment, consistent with the electronic meetings policy of the District adopted by the Board.
- F. Voting. Each Trustee shall have one vote. No business requiring a vote may be conducted without a quorum. A tie vote constitutes failure to pass a measure.

## **Article VI Compensation**

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

## **Article VII** **Parliamentary Procedure**

The Board is obligated under [Utah Code Sections 17D-4-103\(1\)\(b\)](#) and [17B-1-310\(3\)\(b\)](#) to adopt rules of order and procedure and has done so pursuant to a Resolution Adopting Rules of Order and Procedure. The Board will follow the procedures set forth in the Resolution for the conduct of meetings.

## **Article VIII** **Place of Meetings**

Meetings of the Board may be held at WBA PC, 350 E 400 S Ste 2301, Salt Lake City, UT 84043, or at another location as stated otherwise on an agenda at least twenty-four hours in advance.

## **Article IX** **Order of Business**

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

## **Article X** **Protection of Trustees**

- A. Defense of Trustees. The District will defend an action brought against a Trustee only under the terms and conditions stated in the Governmental Immunity Act of Utah (See [Section 63G-7-101](#), *et seq.*).
- B. Insurance. The District shall have the power to purchase and maintain insurance on behalf of any person who is or was a trustee, officer or employee of the District; against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of the status as such, whether or not the District would have power by applicable law to indemnify him/her against such liability. The District may also purchase and maintain insurance, in such amounts as the Board may deem appropriate, to insure the District against any liability for the indemnifications provided by this Article.

## **Article XI** **Administration**

The Board may appoint a manager, including a management company that offers district management services, or may engage the services of professional advisers who may assist in the management and administration of the District. Any manager or professional adviser so retained shall have all necessary authority and responsibility for the administration of the District in all its

activities, subject only to such policies as may be issued by the Board or any of its committees to which it has delegated the power for such action. The District manager shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated someone else to so act.

## **Article XII** **Conflict of Interest Policy**

- A. **Policy statement.** It is the policy of the Board to require trustees to disclose potential conflicts of interest that may arise as a result of their duties as trustees and their personal financial interests and act accordingly with respect to votes on matters implicating such conflicts.
- B. **Overview.**
  1. The trustees commit themselves to ethical and appropriate use of their authority to ensure and maintain public confidence in the District.
  2. The trustees must place the interests of the District over their own personal financial interests.
- C. **Disclosure.**
  1. Every trustee must disclose actual or potential conflicts of interest arising as a result of their duties as trustees and their personal financial interests.
  2. When there is a conflict of interest, the trustee shall publicly declare the nature of the conflict.
  3. A trustee who complies with this Conflict of Interest Policy may, using the trustee's discretion, vote on the matter which is the subject of the actual or potential conflict of interest, abstain from voting or participating in the discussion, or leave the meeting during the discussion and/or voting.
  5. Disclosures must be made:
    - a. When a trustee first becomes a trustee.
    - b. Whenever the trustee's position in the potential conflict entity changes significantly or the value of their interest in the entity is significantly increased.
    - c. Whenever the District is considering taking action that implicates or affects the entity in which the trustee has a position or interest.

## **Article XIII** **Ethical Behavior Policy**

- A. **Policy Statement.** This Ethical Behavior Policy is intended to serve as a guide for trustees in decision-making situations to provide for the highest-level results for the District.
- B. **Code of Ethics.**

1. The trustees will comply with and annually review the District's Conflict of Interest policy, and Code of Ethics Policy.
2. The Board will follow all laws and regulations related to the ethics of public officers and employees, open meetings and whistleblower protection.
3. Trustees should direct any complaint and/or issue directly to the Chair for inclusion on the Board agenda for the full Board's consideration.
4. Trustees should forward District business items to the Chair for inclusion on the Board agenda. The intent is to provide for public notification and to allow time for research and consider the topic.
5. The Board recognizes it operates as a unit and that individual trustees' authority exists only as a member of the whole Board.
6. The Board acknowledges that conflicts of interest may occasionally arise and that each trustee is responsible for declaring such actual or potential conflicts as specified by Utah law or Board policy.
7. The Board will comply with the Utah Public Officers' and Employees' Ethics Act (see [Utah Code Section 67-16-1](#), *et seq.*) and ensure individual accountability, including consequences for noncompliance.
8. Trustees will not ask for or receive, directly or indirectly, any compensation, gifts, gratuity, or thing of value, or promise for or for omitting or deferring the performance of any official duty.
9. Trustees will not disclose or use any privileged or proprietary information that was gained by their official Board position.
10. Trustees will follow the Nepotism statute (Utah Code 52-3) which prohibits employment of relatives, with those exceptions listed in Code 52-3-1(2-3).
11. Trustees will follow the Misuse of Public Resources or Property statute (Utah Code 76-8-4) which delineates the unlawful use of public funds and destruction of property, including records.

## **Article XIV** **Procurement Policy**

- A. The Utah Procurement Code, Title 63G, Chapter 6a, Utah Code Annotated 1953 (the "**Utah Procurement Code**") has four main purposes: (1) to ensure transparency in the public procurement process; (2) to ensure the fair and equitable treatment of all persons who participate in the public procurement process; (3) to provide increased economy in state procurement activities; and (4) to foster effective broad-based competition within the free enterprise system.
- B. The District is a "Procurement Unit" subject to the Utah Procurement Code as defined in [Utah Code Section 63G-6a-103\(58\)](#).

- C. The Board is empowered to hire professional service providers necessary for the administration and operation of the District, pursuant to Utah Code Sections 17B-1-103 and 17B-1-301 and Utah Code Sections 17D-4-103 and 17D-4-203.
- D. The hiring of professional service providers, including but not limited to legal counsel, bond counsel, financial advisors, and other specialized consultants, is an administrative function authorized under the general powers of the District and does not constitute a procurement subject to the Utah Procurement Code.
- E. Pursuant to [Utah Code Section 63G-6a-107.6\(1\)\(a\)](#), the Utah Procurement Code does not apply to a public entity's acquisition of a procurement item from another public entity.
- F. Pursuant to [Utah Code Section 63G-6a-107.6\(2\)](#), the Utah Procurement Code, unless otherwise specifically stated, does not apply to the acquisition or disposal of real property or an interest in real property.
- G. Pursuant to [Utah Code Section 63G-6a-107.7\(1\)\(a\)](#), the rulemaking authority for a procurement unit shall make rules relating to the management and control of procurements and procurement procedures by the procurement unit.
- H. Pursuant to [Utah Code Section 17B-1-618](#), all purchases or encumbrances by a special district shall be made or incurred according the purchasing procedures established for each district by the district's rule making authority, as that term is defined in [Utah Code Section 63G-6a-103](#), and only on an order of approval of the person or persons duly authorized.
- I. Pursuant to [Utah Code Section 63G-6a-707](#), and to the extent applicable, the District shall establish an Evaluation Committee for the purpose of reviewing and evaluating proposals submitted in response to a Request for Proposals ("RFP"), ensuring that all evaluations are conducted fairly, transparently, and in strict compliance with the evaluation criteria set forth in the RFP.
- J. To the extent applicable, the Evaluation Committee shall be responsible for scoring proposals based solely on the stated criteria in the RFP, ensuring that no additional or unlisted criteria influence the selection process, and providing a written statement to the Board documenting the selection recommendation, the awarded scores, and the rationale for the best-value determination, except in cases where the award is made to a Construction Manager/General Contractor based solely on qualifications and the proposed management fee.
- K. Pursuant to [Utah Code Section 63G-6a-103\(57\)](#), and to the extent applicable, the District shall designate a "**Procurement Official**", defined as the individual responsible for overseeing and managing procurement processes to ensure compliance with the Utah Procurement Code.
- L. The Procurement Official shall be responsible for administering procurement activities in accordance with applicable laws, ensuring transparency, efficiency, and adherence to established procurement procedures.
- M. The Procurement Official shall coordinate with the Evaluation Committee, oversee contract compliance, and ensure that all procurement activities align with the District's rules, policies, and best practices in public procurement.

## Article XV

### Travel Policy

- A. All travel by trustees, officers, or consultants on behalf of the District shall be pre-approved in writing by the Chair or by Board action. Reimbursable expenses are limited to reasonable

costs for transportation, lodging, meals, and registration directly related to District business. Claims for reimbursement shall be supported by original itemized receipts and submitted within thirty (30) days after completion of travel. The District shall not reimburse alcohol, entertainment, or companion expenses. Reimbursements shall be reviewed by the District's accountant and approved by the Treasurer/Vice-Chair before payment to ensure compliance with this policy.

- B. All travel expenses while conducting District business outside of fifty (50) miles from the anchor location may be paid by the District upon request of the traveling trustee. Travel-related expenses include:
  - 1. Costs to travel to and from the business destination.
  - 2. Transportation costs while traveling to conduct District business.
  - 3. Lodging, meals and incidental expenses.
- C. Pre-approval. All travel is required to be approved by the CAO prior to traveling and incurring travel-related expenses.
- D. Documentation. After any travel expenses have been incurred, a Travel Reimbursement Form will be submitted outlining the reason for the trip and the specific travel expenses. The Travel Reimbursement Form must be signed by the individual who traveled and the CAO.
- E. Transportation.
  - 1. The District will generally purchase only coach-class tickets aboard a regularly scheduled commercial carrier for both domestic and international flights. Non-stop flights, while at times, more expensive, may be justified if alternative flights impose other costs than airfare, or require such circuitous routing that it is inconvenient for the individual. Individuals may retain for personal use promotional items, including frequent flyer miles, received during the course of a business trip if such items are obtained under the same conditions as those offered to the general public at no additional cost to the District.
  - 2. The District owns no vehicles that may be used for business travel purposes. Personal vehicle use is allowed for the District's business purposes and will be reimbursed for mileage in accordance with currently authorized IRS rate.
  - 3. Alternative travel arrangements may be structured for travel and lodging to reduce costs or accommodate personal preferences if the alternatives provide cost savings or if the individual pays for the increased costs.
  - 4. Rental cars may be obtained with prior approval from the CAO. Individuals traveling in a group to the same location for business are strongly encouraged to share rental vehicles where practical. Rental car agency liability and collision/loss damage coverage is required to be obtained at the District's expense.
- F. Lodging. Travel that requires an overnight stay must be pre-approved by the CAO. The accommodations selected should be modestly priced for the city and state traveling to, but if the individual is attending a convention they may book a room at the hotel where a

conference is being held, in order to reduce other travel related costs or booking a room at a higher priced hotel due to a legitimate safety concern based upon location.

G. Travel-related meals.

1. Travel-related meals will be paid for meals (including tax, tips and other meal related expenses) at the current State of Utah per diem rate. Per diem may be paid to individuals prior to leaving for their travel.
2. Individuals can use their personal credit card to pay for approved travel related meals. Individuals need to retain all receipts related to the purchases and submit them with a Travel Reimbursement Form.

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

- I. Personal expenses: Personal expenses such as entertainment or alcohol are the responsibility of the individual and not reimbursable by the District.
- J. If an individual receives per diem prior to traveling and does not travel on that trip, then the individual will return those funds to the District.

## **Article XVI** **Miscellaneous Financial and Security Policies**

- A. Cash Receipting and Deposit Policy. As outlined in the [Utah State Auditor's Cash Receipting and Deposit Policy Template Guide](#), “policies and procedures need to be adapted to the individual needs of entities in varying sizes and locations. Small organizations that do not have enough employees to segregate duties, compensating controls should be considered, such as having a member of the Board review transactions and trace them back to the source.” The District is a small organization, does not have employees, and does not receive cash or credit card transactions. The Treasurer or accountant will receive all checks made payable to the District and deposit them in the District’s operating account. The Board of Trustees will update this policy in the event that the District needs to receive cash or credit card transactions.
- B. Credit Card Policies and Procedures. It is the policy of the District not to issue or obtain any credit cards for any individuals related to the District’s operations. If and when the District decides to obtain or issue a credit card to any individual(s) then the Board of Trustees shall first be required to adopt policies and procedures governing the issuance and use of credit cards.
- C. Personal Use of District Assets. The District was established to provide financing for the Public Improvements to facilitate development within the and without the boundaries of the District. The District has no employees and all services are provided to the District by independent contracted parties. It is therefore not anticipated that any personal use of District assets will be possible or likely. In any event, the District’s policy on use of District assets is that any personal use of District assets is prohibited.

- D. IT and Computer Security Policy. The District is a small organization and does not have any District employees, computers, network, email, and information technology (“IT”). In the event that the District were to hire employees and obtain computers or electronic devices for those employees, the Board would first be required to adopt a policy addressing computers, network, email, and IT use by those employees.
- E. Audit Committee. The Board hereby establishes an Audit Committee composed of Trustees appointed annually by the Chair with the advice and consent of the Board. The Audit Committee shall assist the Board in fulfilling its financial oversight responsibilities by reviewing the District’s financial statements, annual audit or compilation, and internal controls; meeting at least once per year with the District Accountant and independent auditor; and reporting its findings and recommendations to the Board. Members of the Audit Committee may not include the Chair or Treasurer/Vice-Chair and shall serve until reappointed or replaced by subsequent Board action.

## **Article XVII** **Reporting Fraud or Abuse; Fraud Risk Hotline**

- A. Improper Governmental Action. “**Improper Governmental Action**” is any action by a public entity’s Trustee or employee as follows:
  - 1. Action done while in their official duties, whether or not the action is within the scope of their Board responsibilities or employment; and
  - 2. That is in violation of any federal, state or local law, and is: an abuse of authority; of substantial and specific danger to the public health or safety; or a gross waste of public funds.
- B. Reporting Fraud or Abuse.
  - 1. Contractors who become aware of Improper Governmental Actions should raise the issue with a Trustee. Trustees who become aware of Improper Governmental Actions should raise the issue with the CAO. In the event a trustee is involved, the issue should be taken up with the entire Board.
  - 2. The CAO, trustee or Board will promptly take action to investigate the report. The District will keep the identity of the reporting person confidential to the extent possible under the law, unless that person authorizes in writing the disclosure of their identity. After an investigation has been completed, the person that reported the possible Improper Governmental Action will be advised of a summary of the results of the investigation, except that personnel actions taken as a result of the investigation may be kept confidential.
- C. Complaints, Investigations, Review, and Enforcement.
  - 1. Any trustee or employee may file a complaint alleging a violation of the policy.
  - 2. The complaint will be in writing and signed by the complainant. The written complaint should list the nature of the alleged violation(s), date(s), time and place of each occurrence, and the name of the person(s) accused with the violation(s). The complaint will be filed with the CAO. The CAO will provide a copy of the complaint to the

person(s) alleged of the violation. The reporting person shall provide the CAO with all the available documentation or other evidence to show a reason for believing that a violation has taken place.

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

4. The District shall maintain a process for receiving reports of suspected fraud, waste, or abuse, including the ability for individuals to submit concerns anonymously by email, telephone, or written correspondence. All such reports, whether anonymous or identified, shall be forwarded to the CAO and to the Audit Committee for initial screening. The Audit Committee shall determine whether further investigation is warranted, may request assistance from the District's accountant, legal counsel, or other independent professionals, and shall report the results of any investigation and recommended corrective actions to the full Board in a timely manner. The identity of any individual making a report shall be protected to the extent permitted by law, and retaliation against a reporting individual is strictly prohibited.
5. The District reserves the right to decline to investigate any complaint that is made anonymously.

**D. Fraud Risk Hotline Policy Statement.**

1. By their very nature and makeup the District has no employees and outsources its legal, financial and administrative functions. Even as the District grows it remains a small administrative entity and might only have a few employees, if any. The following policy is intended to bring accountability for the Board and its contracted service providers now and any potential employees in the future.
2. The District hotline provides the ability for citizens, including public employees and contractors, to report fraud risks to the District including, but not limited to, the following:
  - a. Waste or misuse of public funds, property, or manpower;
  - b. Violations of a law, rule, or regulation applicable to the government;
  - c. Gross mismanagement;
  - d. Abuse of authority; and
  - e. Unethical conduct.

**E. Filing a Complaint.** Complaints should be submitted in writing and provide any evidence that supports the complaint to the CAO. If the alleged complaint deals with the CAO, then the complaint should be submitted to another member of the Board and then brought to the full Board for consideration. Submitted information should include specifics as to 'who,

Bylaws

what, where, when' as well as any other details that may be important such as information on other witnesses, documents, and pertinent evidence. Due to limited resources the District is unable to accept complaints that are not supported by evidence or provide a means for us to investigate the problem further.

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

G. Review of Complaint.

1. After receiving a complaint, a review of the allegation(s) and any evidence provided will be preformed. Potential factors to be reviewed include:
  - a. Does the complaint involve actions by a person subject to the District's authority?
  - b. Were improper governmental activities involved?
  - c. Can the allegation(s) be effectively investigated?
2. Disagreements with management decisions or actions taken by elected officials that are within the law will not be investigated. Overly broad or vague complaints or complaints where evidence is unavailable may be declined.
3. This policy is intended to weigh the rights of the person(s) alleging the fraud or abuse with those who are accused of the fraud and abuse. Anonymous complaints have the potential to subject the person(s) accused of the fraud or abuse to stress and embarrassment and potentially result in discipline and possible termination. The District is very reluctant to begin any investigation based upon an anonymous complaint due to the fact that evidence will be difficult to obtain and verify, and it will be impossible to assess the complainant's credibility.
4. The District reserves the right to decline to investigate any complaint that is made anonymously.

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

I. Confidentiality. The identity of the complainant is considered protected information under the Utah Government Records Access and Management Act ("GRAMA") (See [Utah Code Section 63G-2-103](#), et seq.) and will be kept confidential if requested by the complainant. (See Utah Code Section 67-21-3). Whistleblower protections do not apply to anonymous complaints.

## Article XVIII General Provisions

- J. Calendar Year/Fiscal Year. The District will operate on a calendar year/fiscal year from January 1 to December 31 of each year.
- K. Account Books, Minutes and Records. The District will keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and committees. All books and records of the District may be inspected by any trustee, for any proper purpose at any reasonable time.
- L. Conveyances and Encumbrances. Property of the District may be assigned, conveyed, transferred, or encumbered only as authorized by the Board pursuant to the Act.

#### **Article XIX** **Amendments**

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

\*\*\*

ADOPTED NOVEMBER 14, 2025.

**DISTRICT:**

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

By:

\_\_\_\_\_  
Officer of the District

Attest:

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

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**ACCEPTANCE RESOLUTION PURSUANT TO INFRASTRUCTURE ACQUISITION**  
**AND PROJECT FUND DISBURSEMENT AGREEMENT**  
**(November 14, 2025)**

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WHEREAS, NS Public Infrastructure District No. 2, 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, 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 (together the “**Act**”); and

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

WHEREAS, the District and Woodside Homes of Utah, LLC (“**Woodside Homes**”) are parties to that certain Infrastructure Acquisition and Reimbursement Agreement dated September 5, 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 Woodside Homes 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, Woodside Homes has submitted an Application for Acceptance of District Eligible Costs/Dedicated Public Infrastructure and 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; 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**”).

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 Acceptance of District Eligible Costs/ Dedicated Public Infrastructure.
- b. Woodside Homes has submitted all of the information required under Exhibit A - Schedule 1 of the Agreement.
- c. The Connexion Group-Civil LLC (“**The Connexion Group**”) has reviewed the invoices and other material presented to substantiate the District Eligible Costs and issued an 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 Engineer’s Cost Certification and invoices and other material presented to substantiate the District Eligible Costs and has issued an 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 **\$613,701.57**. 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. Payment of Certified District Eligible Costs from the Project Fund. Pursuant to this Agreement, within 3 business days of adoption of the 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 that the Trustee make payment of the Certified District Eligible Costs directly to Woodside Homes of Utah, LLC.

*[Signature Page Follows.]*

ADOPTED THIS 14<sup>th</sup> DAY OF NOVEMBER, 2025.

**DISTRICT:**

**NS PUBLIC INFRASTRUCTURE DISTRICT  
NO. 2, 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

Cost Certification #3  
Issued for  
NS Public Infrastructure District No. 2

Submitted:

October 22, 2025

Report By:

The Connexion Group – Civil, LLC  
4785 Tejon St, Suite 101  
Denver, CO 80211

THE  
**CONNEXION** —  
GROUP

October 22, 2025

NS Public Infrastructure District No. 2  
c/o White Bear Ankele Tanaka & Waldron  
350 E 400 S, #2301  
Salt Lake City, UT 84111

### **Cost Certification #3 Issued For NS Public Infrastructure District No. 2**

The Connection Group (the “Engineer”) was engaged by NS Public Infrastructure District No. 2 (the “District”) to serve as the District Engineer. The District has the power to provide public infrastructure, improvements, facilities and services for the benefit of the District’s end users (the “District Eligible Costs”). Woodside Homes of Utah, LLC (the “Developer”) has incurred costs related to the acquisition, financing, planning, design, construction, and installation of public infrastructure for the New Salem MDP Offsite Water and Sewer (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 total **\$613,701.57**.

#### **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 Engineer followed this process to conclude whether in the Engineer’s professional opinion there is substantial doubt surrounding the validity of the Developer’s reimbursement request. 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 Engineer compared the submitted unit costs to unit costs for similar improvements or services in a substantially similar area to the District.
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 completed 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.
- Recommendations are based on the information and underlying data that is currently available to the Engineer. Should the Engineer's procedure or underlying data change in the future, the Engineer would recommend evaluating the information and adjusting the cost certification procedures accordingly.
- 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 quality or overall completeness of professional services provided to the District but rather determined that the contracted scope was related to the provisions of public infrastructure, that payment was made, and that the costs for the scope were reasonable.
- The Engineer relied on other engineers or appropriate design professionals to determine if the deliverables provided followed applicable regulations.
- The Engineer assumed documentation provided by the Developer and District is true and correct.
- 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 other relevant agreements pertaining to these costs exist. Should relevant agreements be discovered in the future the Developer should promptly notify the District and refund any payments made by the District if determined necessary.
- The Engineer did not verify if the improvement costs have been previously reimbursed out of the cost of issuance or as part of any previous reimbursement.
- This report was prepared for a specific purpose. Users of this report for purposes other than those outlined are advised to seek professional guidance tailored to their specific circumstances.
- Improvement defects may not be immediately apparent, and improvements may function for prolonged periods prior to becoming visually detectable.
- It is assumed that the Developer holds the right to reimbursement for any costs not 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.

### **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. The Application for Acceptance is included as Attachment B.

**Requirements for Public Infrastructure Costs prior to conditional by the applicable governmental entity**

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 expenditures included in this report were provided. Unconditional lien waivers were provided for the JWright invoices. An email from Earthtec Engineering confirming payment was made was used as proof of payment. Invoices marked as paid were provided by LEI Engineers & Surveyors as used as proof of payment for their included invoices.*

3. Letter establishing the Developers obligation to undertake all necessary steps to final acceptance:

*Findings: It is our understanding that the developer 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. The Developer indicated that 90% of the bond has been paid back to the Developer, and that initial / conditional acceptance will be completed shortly. The Engineer recommends that the Developer provide this letter to the District once it has been distributed from the city.*

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. The Engineer recommends District legal counsel determine if the cash payment, in lieu of the development bond, is sufficient to waive this requirement. If not, District Legal should review and approved the form of agreement prior to reimbursement.*

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.*

11. Test results for improvements conforming to industry standards:

*Findings: The Developer provided compaction testing results that generally indicated passing results for the backfill of the improvements.*

12. Pressure test results for any irrigation system:

*Findings: No irrigation system is included in this report.*

**Engineer's 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.

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. Earthwork and erosion control were necessary for both the water and sewer improvements and were allocated evenly between them. Table 1 includes the Engineer allocation of the District Eligible Costs per the categories.

**Table 1: District Eligible Costs Per Cost Category**

Water	\$289,275.63
Sanitation/Storm Sewer	\$324,425.94
<b>TOTAL</b>	<b>\$613,701.57</b>

The Developer entered into a cost sharing agreement with New Salem Vision 1 LLC to ensure that each of them should share equitably in the costs associated with the offsite improvements. Pursuant to the agreement the Developer will construct the infrastructure but may be reimbursed by New Salem Vision 1 LLC for its portion of the reimbursable amounts incurred by Woodside as calculated on the percentage shown in Table 2. The Engineer only allocated the Developers portion of the improvements as eligible. New Salem Vision 1's share of the costs was excluded from reimbursement.

**Table 2: Off-Site Improvement Cost Share Percentages**

	<b>New Salem Vision 1</b>	<b>Woodside (Developer)</b>
<b>Water Infrastructure</b>	51.85%	48.15%
<b>Sewer Infrastructure</b>	47.55%	52.45%
<b>Land Drain</b>	50.00%	50.00%
<b>Grading</b>	50.00%	50.00%
<b>Misc (Erosion Control)</b>	50.00%	50.00%
<b>Change Order No. 1</b>	50.00%	50.00%
<b>Change Order No. 2</b>	50.00%	50.00%
<b>Change Order No. 3</b>	100.00%	0.00%
<b>Change Order No. 4</b>	50.00%	50.00%
<b>Soft Costs</b>	50.00%	50.00%

**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 **\$613,701.57**. 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 Connexion 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. 2, an independent political subdivision of the State of Utah (the “District”), and Woodside Homes Of Utah, LLC, a Utah limited liability company, made and entered into as of the 5<sup>th</sup> day of September, 2024.
- Master Development Agreement for New Salem Vision, dated November 11, 2023
- New Salem Offsite Sewer And Water Construction documents drain updates, by LEI Engineering, dated 1/28/2025

## Attachment B – Developer Application for Acceptance

### EXHIBIT A

#### Application for Acceptance of District Eligible Costs Dedicated Public Infrastructure

Applicant Name: Woodside Homes of Utah, LLC

Applicant Address: 460 West 50 North, Suite 300, Salt Lake City

State: Utah Zip: 84101 Daytime Phone #: \_\_\_\_\_

Alt. Phone / Cell: \_\_\_\_\_

Email: Burke.Staker@woodsidehomes.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			
Parks and Recreation			
Water	Salem City	No	\$289,276.19
Sanitation/Storm Sewer	Salem City	No	\$324,425.94
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: \_\_\_\_\_

Date: \_\_\_\_\_

### Attachment C: Invoice Tabulation and Engineers Understanding of Scopes

Invoice Number	Invoice Date	Description	Invoice Amount	District Eligible Costs	Developer Cost	POP Date	POP #	Additional Information
<b>Jwright Companies, Inc.</b>								
<b>Company/Eligibility Information:</b> 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 Developer to install the offsite sanitary, water, and land drain improvements. Costs associated with the offsite public utilities were considered eligible for reimbursement. Note the Developer has entered into a cost sharing agreement with adjacent an adjacent developer who receives benefit from the improvements. Only the portion that is the responsibility of the Developer was considered eligible for reimbursement.								
8299 (PA5)	2/20/2025	Offsite Sewer, Water, and Land Drain	\$76,335.03	\$36,755.32	\$39,579.71	7/15/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
8578 (PA8)	5/29/2025	Offsite Sewer, Water, and Land Drain	\$545,114.62	\$272,880.04	\$272,234.58	7/15/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
8655 (PA9)	6/19/2025	Offsite Sewer, Water, and Land Drain	\$77,646.64	\$39,225.73	\$38,420.91	9/16/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
8771 (PA10)	8/14/2025	Offsite Sewer, Water, and Land Drain	\$258,855.52	\$129,427.76	\$129,427.76	9/16/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
8791 (PA11)	9/10/2025	Retainage Release	\$213,931.00	\$103,880.65	\$110,050.35	10/28/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
8808 (PA12)	10/13/2025	Additional Paving Change Order	\$6,263.58	\$3,131.79	\$3,131.79	10/28/2025	UC Waiver	Only Woodside Homes Portion Was Considered Eligible
<b>Jwright Companies, Inc. Totals:</b>			<b>\$1,178,146.39</b>	<b>\$585,301.30</b>	<b>\$592,845.09</b>			
<b>Earthtec Engineering</b>								
<b>Company/Eligibility Information:</b> Earthtec Engineering is a geotechnical and environmental services company responsible for soil compaction and asphalt density testing for the offsite sanitary, water, and land drain improvements. Cost reviewed in this report were considered eligible for reimbursement. Note the Developer has entered into a cost sharing agreement with adjacent an adjacent developer who receives benefit from the improvements. Only the portion that is the responsibility of the Developer was considered eligible for reimbursement.								
6425	10/31/2024	Soil Testing & Report	\$159.85	\$79.93	\$79.93	11/26/2024	100006273	Used vendor confirmation as proof of payment
6669	11/30/2024	Soil Testing & Report	\$6,136.44	\$3,068.22	\$3,068.22	1/6/2025	100009292	Used vendor confirmation as proof of payment
6923	12/31/2024	Soil Testing & Report	\$3,536.28	\$1,768.14	\$1,768.14	2/10/2025	10013172	
7215	1/31/2025	Soil Testing & Report	\$3,071.60	\$1,535.80	\$1,535.80	3/14/2025	10015979	Used Check number from account ledger
7420	2/28/2025	Soil Testing & Report	\$3,269.76	\$1,634.88	\$1,634.88	3/28/2025	10017300	
7634	3/31/2025	Soil Testing & Report	\$2,141.43	\$1,070.72	\$1,070.72	4/28/2025	10020139	
7910	4/30/2025	Soil Testing & Report	\$2,175.22	\$1,087.61	\$1,087.61	7/2/225	10025031	
8159	5/31/2025	Soil Testing & Report	\$2,408.08	\$1,204.04	\$1,204.04	7/14/2025	10026634	
8464	6/30/2025	Soil Testing & Report	\$953.94	\$476.97	\$476.97	7/29/2025	10027910	
9054	8/31/2025	Asphalt Density Testing	\$749.94	\$374.97	\$374.97	9/30/2025	10033338	
9377	9/30/2025	Soil Testing & Report	\$220.64	\$0.00	\$220.64	Not Provided		Not reviewed. No proof of payment provided.
<b>Earthtec Engineering Totals:</b>			<b>\$24,823.18</b>	<b>\$12,301.27</b>	<b>\$12,521.91</b>			
<b>LEI Engineers &amp; Surveyors</b>								
<b>Company/Eligibility Information:</b> LEI is a civil engineering and land surveying company responsible for improvement staking on the project. Cost reviewed in this report were considered eligible for reimbursement. Note the Developer has entered into a cost sharing agreement with adjacent an adjacent developer who receives benefit from the improvements. Only the portion that is the responsibility of the Developer was considered eligible for reimbursement.								
176296	2/28/2025	Survey Staking - offsite water	\$1,102.50	\$551.25	\$551.25	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
176727	4/30/2025	Survey Staking - offsite sewer & water	\$1,895.50	\$947.75	\$947.75	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
176730	4/30/2025	Survey Staking - offsite water	\$12,500.00	\$6,250.00	\$6,250.00	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
176731	4/30/2025	Survey Staking - offsite sewer	\$11,050.00	\$5,525.00	\$5,525.00	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
177236	6/28/2025	Survey Staking - offsite water	\$1,400.00	\$700.00	\$700.00	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
177238	6/28/2025	Survey Staking - offsite sewer	\$4,250.00	\$2,125.00	\$2,125.00	Vendor Confirmation		Only Woodside Homes Portion Was Considered Eligible
<b>LEI Engineers &amp; Surveyors Totals:</b>			<b>\$32,198.00</b>	<b>\$16,099.00</b>	<b>\$16,099.00</b>			
<b>GRAND TOTAL</b>			<b>\$1,235,167.57</b>	<b>\$613,701.57</b>	<b>\$621,466.00</b>			

Table Generated By: The Connexion Group LLC

Note: Partially eligible costs may be rounded

**Exhibit B**

Accountant Cost Certification



CliftonLarsonAllen LLP  
95 S State Street, Suite 1150  
Salt Lake City, UT 84111

phone 801-364-4949  
[CLAconnect.com](http://CLAconnect.com)

November 7, 2025

The Board of Trustees of  
NS Public Infrastructure District No. 2  
Utah County, Utah

Re: NS Public Infrastructure District No. 2 – Developer Reimbursement and Public  
Infrastructure Costs

This report summarizes the results of procedures performed related to the NS Public Infrastructure District No. 2 (“the District”) Developer Reimbursement. Specifically, we read invoices to determine if amounts expended supported the assertion that the costs are eligible District Costs.

We did not evaluate quantity and quality measurements, which would be covered by an Engineer’s report.

We were not engaged to and did not; conduct an examination in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on the financial statements of the NS Public Infrastructure District No. 2. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the AICPA Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

*Developer Reimbursement and Public Infrastructure Costs*

The District engaged CliftonLarsonAllen, LLP to read documentation and invoices that support infrastructure costs submitted by New Salem Vision 1, LLC (“Developer”) and to determine which costs are eligible for reimbursement.

The Developer submitted documentation for \$1,235,167.57 of expenses incurred. Of the total submitted, \$613,701.57 was considered eligible and related to soft costs and capital outlay infrastructure improvements.

For additional detail on the costs incurred by the Developer, please refer to the attached Engineer’s Report and Certification dated October 22, 2025.

We are not independent with respect to NS Public Infrastructure District No. 2.

This report is intended solely for your use and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP  
Salt Lake City, Utah

**RESOLUTION**  
**OF THE BOARD OF TRUSTEES OF THE**  
**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**AMENDING THE 2025 FINAL BUDGET**

---

WHEREAS, the NS Public Infrastructure District No. 2 (the “**District**”) is 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, 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 (together the “**Act**”); and

WHEREAS, pursuant to [Utah Code Section 17B-1-614](#), the Board adopted a final budget (the “**Final Budget**”) and filed with the state auditor within 30 days after adoption; and

WHEREAS, pursuant to [Utah Code Section 17B-1-621](#) the Board of Trustees (the “**Board**”) may, at any time during the budget year, review the individual budgets of the governmental funds for the purpose of determining if the total of any of them should be increased;

WHEREAS, the Board has determined that the Final Budget needs to be amended to increase the total;

WHEREAS, pursuant to [Utah Code Section 17B-1-610](#) at a meeting held on October 23, 2025, the Board adopted the tentative 2025 amended budget provided by the District’s accountant (the “**Tentative Amended Budget**”) and established the time and place of a public hearing to take public comment on the same, and ordered notice of said hearing to be provided in accordance with the requirements of [Utah Code Section 17B-1-609](#); and

WHEREAS, no less than seven days prior to the public hearing on the adoption of a Tentative Amended Budget, the Board made available a copy of the Tentative Amended Budget pursuant to [Utah Code Section 17B-1-608\(2\)\(b\)](#); and

WHEREAS, pursuant to [Utah Code Section 63G-30-102](#) the Board published the Tentative Amended Budget as a Class A notice; and

WHEREAS, the Board desires to adopt this Resolution setting forth the District’s Tentative Amended Budget.

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

1. **Incorporation of Recitals.** The Recitals set forth in this Resolution are hereby incorporated.

2. **Adoption of Final Budget.** The Board hereby adopts the 2025 Tentative Amended Budget attached hereto as **Exhibit A** as the District's final amended budget (the “**Final Amended Budget**”).

3. **Direction Regarding Filing.** The Board directs the District's accountant to file the Final Amended 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\(2\)](#).

*[Remainder of page intentionally left blank. Signature page follows]*

ADOPTED NOVEMBER 14, 2025.

**DISTRICT:**

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

By: \_\_\_\_\_  
Officer of the District

ATTEST:

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

**EXHIBIT A**

Final Amended Budget

**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>

**RESOLUTION**  
**OF THE BOARD OF TRUSTEES OF THE**  
**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**ADOPTING THE 2026 BUDGET**

---

WHEREAS, the NS Public Infrastructure District No. 2 (the “**District**”) is a quasi municipal corporation and independent 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, 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 (together the “**ACT**”); and

WHEREAS, pursuant to [Utah Code Section 17B-1-607](#), the Board directed the District’s accountant to provide a tentative budget to the Board of Trustees (the “**Board**”) for review on or before the first regularly scheduled meeting in November; and

WHEREAS, at a meeting held on October 23, 2025, the Board adopted the tentative budget provided by the District’s accountant (the “**Tentative Budget**”) and established the time and place of a public hearing to take public comment on the same, and ordered notice of said hearing to be provided in accordance with the requirements of [Utah Code Section 17B-1-609](#); and

WHEREAS, following adoption of the Tentative Budget, and no less than seven days prior to the public hearing on the adoption of a final budget, the Board made available a copy of the Tentative Budget pursuant to [Utah Code Section 17B-1-608\(2\)\(b\)](#); and

WHEREAS, pursuant to [Utah Code Section 63G-30-102](#) the Board published the Tentative Budget as a Class A notice; and

WHEREAS, the Board desires to adopt this Resolution setting forth the District’s final 2026 budget.

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

1. **Incorporation of Recitals.** The Recitals set forth in this Resolution are hereby incorporated.
2. **Adoption of Final Budget.** The Board hereby adopts the 2026 budget attached hereto as **Exhibit A** as the District’s final budget (the “**Final Budget**”).
3. **Direction Regarding Filing.** 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\(2\)](#).

ADOPTED NOVEMBER 14, 2025.

**DISTRICT:**

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

By: \_\_\_\_\_  
Officer of the District

ATTEST:

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

**EXHIBIT A**

Final Budget

**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	421	5,000	231	400	400
TRANSFERS IN					
Transfers from other funds	69,211	-	-	62,620	65,583
Total funds available	69,632	187,414	62,231	125,020	129,003
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	7,632	51,000	21,314	51,000	52,020
TRANSFERS OUT					
Transfers to other fund	-	11,000	-	11,000	11,000
Total expenditures and transfers out requiring appropriation	7,632	62,000	21,314	62,000	63,020
ENDING FUND BALANCES	\$ 62,000	\$ 125,414	\$ 40,917	\$ 63,020	\$ 65,983
WORKING CAPITAL FUND	\$ 62,000	\$ 125,414	\$ 40,917	\$ 63,020	\$ 65,983
TOTAL RESERVE	\$ 62,000	\$ 125,414	\$ 40,917	\$ 63,020	\$ 65,983

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
<b>Total</b>	<b>\$ 5,210,000</b>	<b>\$ 7,837,700</b>	<b>\$ 13,047,700</b>

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	-
<b>Total</b>	<b>\$ 1,622,919</b>	<b>\$ 1,037,080</b>	<b>\$ 2,660,000</b>	<b>\$ 2,996,000</b>	<b>\$ 5,656,000</b>	

See summary of significant assumptions.