

**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

**Trustees**

**Terms**

|                                  |   |
|----------------------------------|---|
| Burke Staker - Chair             | Term from August 7, 2024 to 6 years from appointment          |
| Josh Clark – Clerk/Secretary     | Term from May 2, 2024 to 6 years from appointment             |
| Ryan Beck – Treasurer/Vice Chair | Term from August 7, 2024 to 4 years from appointment          |
| Vacant                           | Term from [date of appointment] to [4 years from appointment] |
| Vacant                           | 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. Hutchison 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.



Date: October 22, 2025

### ***Special Districts Client Accounting & Advisory Services***

This agreement constitutes a Statement of Work ("SOW") to the Master Service Agreement ("MSA") dated May 16, 2024, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and NS Public Infrastructure District No. 2 ("you," "your," "board of trustees" or "the district"). The purpose of this SOW is to outline certain services you wish us to perform through December 31, 2026 in connection with that agreement.

#### **Scope of professional services**

Shelby L. Clymer is responsible for the performance of the recurring services identified in this agreement.

#### **Recurring services:**

- For each fund of the district, CLA will generally prepare and maintain the following accounting records:
  - Cash receipts journal
  - Cash disbursements journal
  - General ledger
  - Accounts receivable journals and ledgers
  - Deposits with banks and financial institutions
  - Schedule of disbursements
  - Bank account reconciliations
  - Investment records
- Maintain records and a tracking system of fee impositions, due dates and payments; and at direction of the board of trustees, provide reporting of fee imposition and payments to the board of the district
- Process accounts payable including confirmation that for payment of any vendors that there are sufficient funds available, prior to the preparation and issuance of checks for approval by the board of

trustees

- Coordinate with the district manager and/or district general counsel (in the event of legal issues) regarding financial matters and determine prior to the district entering any contract for capital or operations services that there are sufficient appropriations for same
- To the extent applicable, read and understand Developer Funding Agreements and coordinate funding from Developer necessary for the district to pay its obligations
- To the extent applicable, provide accounting support for grants received by the district
- Prepare billings, record billings, enter cash receipts, and track revenues
- Prepare depreciation schedules
- Prepare a schedule of cash position to monitor the district's cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district's board of trustees and in accordance with state law
- At the direction of the board of trustees, assist with the coordination and execution of banking and investment transactions and documentation
- In collaboration with district consultants and the board of trustees, assist with the certification of tax rates with the respective county or counties and the Tax Commission
- Assist the district's board of trustees in monitoring actual expenditures against appropriation/budget: at the direction of the board of trustees, evaluate budget to actual expenses and provide a report to the district board; advise the district board prior to paying any vendor amounts in excess of budgeted amounts
- If an audit is not required, prepare a Small Entity Report in the form prescribed by the Utah Office of the State Auditor.
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required
- Read cost verifications and obtain acceptance and approval by the board of trustees for the district prior to the requisition or disbursement of funds
- Read and understand intergovernmental agreements that create financial or cost sharing obligations of the district
- Review claims for reimbursement from related parties prior to the board of trustees' review and approval
- Read supporting documentation related to the district's acquisition of infrastructure or other capital

assets completed by related parties for overall reasonableness and completeness

- Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW
- These procedures may not satisfy district policies, procedures, and agreements' requirements
- Note: our procedures should not be relied upon as the final authorization for this transaction
- Attend board meetings as requested
- Be available during the year to consult with you on any accounting matters related to the district
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile balance sheet accounts and selected revenues and expense accounts monthly or as requested and prepare journal entries
- Analyze financial statements and present to management and the board of trustees
- Develop and track key business metrics as requested and review periodically with the board of trustees
- Document accounting processes and procedures
- Continue process and procedure improvement implementation
- Report on cash flows
- Assist with bank communications
- Prepare federal Form 1099 and Form 1096 and transmit federal Form 1099 to federal and state taxing authorities on your behalf
- As requested, prepare and analyze the financial statement reporting packages of the governmental activities, the business type activities (if applicable), and the aggregate discretely presented component units (if applicable), each major fund, and the aggregate remaining fund information (if applicable) of the district in accordance with GAAP with identified departures. These financial statements comprise the following:
  - Balance Sheet – Governmental Funds
  - Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund
  - Statements or Schedules of Revenues, Expenditures, and Changes in Fund Balance – other applicable funds
  - Supplementary information included in the financial statement reporting package, if requested,

will be prepared and presented for purposes of additional analysis.

- If an audit is required, prepare the year-end financial statement reporting packages of the governmental activities, the business type activities (if applicable), and the aggregate discretely presented component units (if applicable), each major fund, and the aggregate remaining fund information (if applicable) of the district in accordance with GAAP. These financial statements comprise the following:
  - Statement of Net Position
  - Statement of Activities
  - Balance Sheet – Governmental Funds
  - Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund
  - Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities (if applicable)
  - Management Discussion and Analysis (if applicable)
  - Footnotes to the financial statements
  - Required supplementary information and other information included in the financial statement reporting package will be prepared and presented for purposes of additional analysis.
- If an audit is not required, we will complete a Small Entity Report.
- In collaboration with district consultants and the board of directors, prepare and analyze the annual budget reporting package of the District in a format prescribed by Utah State Law.

#### **Engagement objectives, limitations, and responsibilities**

We will perform this engagement in accordance with all applicable state and federal laws, and the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Our engagement cannot be relied upon to identify or disclose any misstatements in the financial statements, the annual budget, or the Small Entity Report (if applicable) including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. However, if any of the foregoing are identified as a result of our engagement, we will promptly report this information to the board of trustees of the district. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement, but will promptly report them to the board of trustees of the district if they are identified. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Small Entity Report (if applicable), and the year-end financial statements that we may not identify as a result of

misrepresentations made to us by you.

CLA personnel cannot be recognized or act in the capacity of your chief executive officer, chief financial officer, or any other management role and accordingly, CLA cannot accept the corporate responsibility for financial reports and internal control.

For all nonattest services we may provide to you, your management team agrees to assume all management responsibilities; oversee the services within this agreement; designate an individual, preferably within senior management, who possesses suitable skills, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The financial statements, the annual budget, and the Small Entity Report (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Small Entity Report (if applicable) and our report thereon, they must be reproduced in their entirety.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement:

- a)** Assigning a primary contact that will act as the main conduit for communications, logistics and other such interaction.
- b)** The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Small Entity Report (if applicable).
- c)** The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Small Entity Report (if applicable) that are free from material misstatement, whether due to fraud or error.
- d)** The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- e)** To provide us with the following:
  - i)** Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Small Entity Report (if applicable) such as records, documentation, and other matters that we may not otherwise have access to.
  - ii)** Additional information that may be requested for the purpose of the engagement.
  - iii)** Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Small Entity Report (if applicable).

## **Fees and terms**

### ***Billing rates guaranteed through December 31, 2026:***

| <b>Services performed by</b> | <b>Rate per hour</b> |
|------------------------------|----------------------|
| Principal                    | \$300-\$650          |
| Consulting CFO               | \$290-\$400          |
| Consulting Controller        | \$240-\$380          |
| Assistant Controller         | \$210-\$300          |
| Senior                       | \$150-\$230          |
| Staff                        | \$130-\$190          |
| Administrative Staff         | \$120-\$170          |

Subsequent to the billing rate guarantee date, the rates may be adjusted as agreed between you and CLA through a new SOW.

Our professional fees will be billed based on the degree of responsibility and contribution of the professionals working on the engagement. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed.

## **Municipal advisors**

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the “Act”). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

**Agreement**

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us to indicate your acknowledgment and understanding of, and agreement with, this SOW.

**CliftonLarsonAllen LLP**

Shelby L. Clymer

Principal

303-265-7812

shelby.clymer@claconnect.com

**Response**

This SOW correctly sets forth the understanding of NS Public Infrastructure District No. 2 and is accepted by:

**CLA**  
CliftonLarsonAllen LLP

*Shelby Clymer*

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Shelby L. Clymer, Principal

**SIGNED** 11/12/2025, 8:17:19 PM MST

**Client**  
NS Public Infrastructure District No. 2

SIGN:

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Burke Staker, Board Chair


DATE:


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November 4, 2025

Board of Directors  
NS Public Infrastructure District No. 2

To the Members of the Board:

We are pleased to confirm our understanding of the services we are to provide for NS Public Infrastructure District No. 2 (District) for the year ended the year ended December 31, 2025. We understand the District employs CliftonLarsonAllen, LLP as its manager (“Manager”), which firm may be referenced herein as “Management”.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of NS Public Infrastructure District No. 2 as of and for the year ended December 31, 2025.

Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement NS Public Infrastructure District No. 2’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to NS Public Infrastructure District No. 2’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

#### **1) Management’s Discussion and Analysis**

We have also been engaged to report on supplementary information other than RSI that accompanies NS Public Infrastructure District No. 2’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS) and will provide an opinion on it in relation to the financial statements as a whole:

- 2) Debt Service Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
- 3) Capital Projects Fund—Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### 1. Schedule of Debt Service Requirements to Maturity

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with the requirements of the *Utah State Compliance Audit Guide*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in the requirements of the *Utah State Compliance Audit Guide*, and will include tests of your accounting records of the District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and the requirements of the *Utah State Compliance Audit Guide*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because

the determination of waste and abuse is subjective, the requirements of the *Utah State Compliance Audit Guide* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the requirements of the *Utah State Compliance Audit Guide*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and the requirements of the *Utah State Compliance Audit Guide*.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to the requirements of the *Utah State Compliance Audit Guide*.

### **Responsibilities of Management for the Financial Statements**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to the requirements of the *Utah State Compliance Audit Guide*.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and the requirements of the *Utah State Compliance Audit Guide*.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of the District and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Utah or its designee, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Utah. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We estimate that our fees for these services will be \$8,200 for the financial statement audit and for the service in relation to the requirements of the *Utah State Compliance Audit Guide*. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with

you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. Accounts in excess of 30 days will accrue finance charges at 1.5% per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Ty Holman is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on a mutually agreed upon date and to issue our report no later than July 31, 2026.

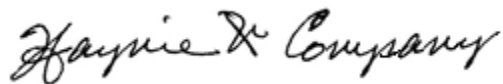
### Reporting

We will issue a written report upon completion of our audit of NS Public Infrastructure District No. 2's financial statements. Our report will be addressed to the Board of Directors of NS Public Infrastructure District No. 2. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

If this letter correctly expresses your understanding, please sign the enclosed copy where indicated and return it to us.

We appreciate the opportunity to serve you.

Sincerely,



Accepted and agreed to:  
NS Public Infrastructure District No. 2

\_\_\_\_\_  
Officer signature

\_\_\_\_\_  
Title

Attest:

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



NS PID No. 2  
Interim Claims  
February 24, 2025 - November 12, 2025

| <u>Process Date</u> | <u>Vendor</u>                      | <u>Invoice Number</u> | <u>Payment Method</u>     | <u>Amount</u>       |
|---------------------|------------------------------------|-----------------------|---------------------------|---------------------|
| 2/26/2025           | Woodside Homes of Utah             | Cost Cert #2          | Project Fund Req No. 3    | 786,739.96          |
| 3/10/2025           | Utah Local Governments Trust       | 125825                | Working Capital Req No. 1 | 2,823.56            |
| 5/12/2025           | CLA                                | Multiple              | Working Capital Req No. 2 | 6,178.73            |
| 5/12/2025           | White Bear Ankele Tanaka & Waldron | Multiple              | Working Capital Req No. 2 | 9,352.16            |
| 5/15/2025           | CLA                                | L51155928             | Working Capital Req No. 3 | 1,021.13            |
| 5/15/2025           | White Bear Ankele Tanaka & Waldron | Multiple              | Working Capital Req No. 3 | 7,555.80            |
| 6/2/2025            | Woodside Homes of Utah             | Cost Cert #3          | Project Fund Req No. 4    | 708,703.60          |
| 6/27/2025           | White Bear Ankele Tanaka & Waldron | Multiple              | Project Fund Req No. 5    | 1,230.52            |
| 6/27/2025           | The Connexion Group                | Multiple              | Project Fund Req No. 5    | 3,622.50            |
| 6/27/2025           | CLA                                | L251252571            | Working Capital Req No. 4 | 615.46              |
| 6/27/2025           | White Bear Ankele Tanaka & Waldron | Multiple              | Working Capital Req No. 4 | 3,164.68            |
| 8/25/2025           | White Bear Ankele Tanaka & Waldron | 41589                 | Working Capital Req No. 5 | 3,244.66            |
| 8/25/2025           | Utah Local Governments Trust       | 1621275               | Working Capital Req No. 5 | 3,500.00            |
| 8/25/2025           | CLA                                | Multiple              | Working Capital Req No. 5 | 4,839.18            |
| 9/17/2025           | White Bear Ankele Tanaka & Waldron | Multiple              | Working Capital Req No. 6 | 626.59              |
| 11/12/2025          | Woodside Homes of Utah             | Cost Cert #4          | Project Fund Req No. 6    | 613,701.57          |
|                     |                                    |                       |                           | <u>2,180,491.99</u> |

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2025**

**NS Public Infrastructure District No. 2**  
**Balance Sheet - Governmental Funds**  
**September 30, 2025**

|                               | <u>General</u>      | <u>Debt Service</u>    | <u>Capital Projects</u> | <u>Total</u>           |
|-------------------------------|---------------------|------------------------|-------------------------|------------------------|
| Assets                        |                     |                        |                         |                        |
| UMB Bond Fund 2024A           | \$ -                | \$ 916,797.22          | \$ -                    | \$ 916,797.22          |
| UMB Surplus fund 2024A        | -                   | 649,158.32             | -                       | 649,158.32             |
| UMB Project Fund 2024A        | -                   | -                      | 968,394.18              | 968,394.18             |
| UMB Project Fund 2024B        | -                   | -                      | 1,594,159.63            | 1,594,159.63           |
| UMB COI Fund                  | -                   | -                      | 17,658.58               | 17,658.58              |
| UMB Admin Expenses Fund 2024A | 36,290.80           | -                      | 128,203.14              | 164,493.94             |
| Total Assets                  | <u>\$ 36,290.80</u> | <u>\$ 1,565,955.54</u> | <u>\$ 2,708,415.53</u>  | <u>\$ 4,310,661.87</u> |
| Liabilities                   |                     |                        |                         |                        |
| Accounts Payable              | \$ 3,347.42         | \$ -                   | \$ 1,204.89             | \$ 4,552.31            |
| Total Liabilities             | <u>3,347.42</u>     | <u>-</u>               | <u>1,204.89</u>         | <u>4,552.31</u>        |
| Fund Balances                 | <u>32,943.38</u>    | <u>1,565,955.54</u>    | <u>2,707,210.64</u>     | <u>4,306,109.56</u>    |
| Liabilities and Fund Balances | <u>\$ 36,290.80</u> | <u>\$ 1,565,955.54</u> | <u>\$ 2,708,415.53</u>  | <u>\$ 4,310,661.87</u> |

**NS Public Infrastructure District No. 2**  
**General Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending September 30, 2025**

|                                      | <u>Annual Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
|--------------------------------------|----------------------|---------------------|---------------------|
| Revenues                             |                      |                     |                     |
| Interest Income                      | \$ 5,000.00          | \$ 235.82           | \$ 4,764.18         |
| Total Revenue                        | <u>5,000.00</u>      | <u>235.82</u>       | <u>4,764.18</u>     |
| Expenditures                         |                      |                     |                     |
| Accounting                           | 20,000.00            | 14,025.42           | 5,974.58            |
| Auditing                             | 7,000.00             | -                   | 7,000.00            |
| Insurance                            | 4,000.00             | 6,323.56            | (2,323.56)          |
| Legal                                | 20,000.00            | 8,943.46            | 11,056.54           |
| Total Expenditures                   | <u>51,000.00</u>     | <u>29,292.44</u>    | <u>21,707.56</u>    |
| Other Financing Sources (Uses)       |                      |                     |                     |
| Transfers to other fund              | (11,000.00)          | -                   | (11,000.00)         |
| Total Other Financing Sources (Uses) | <u>(11,000.00)</u>   | <u>-</u>            | <u>(11,000.00)</u>  |
| Net Change in Fund Balances          | (57,000.00)          | (29,056.62)         | (27,943.38)         |
| Fund Balance - Beginning             | 182,414.00           | 62,000.00           | 120,414.00          |
| Fund Balance - Ending                | <u>\$ 125,414.00</u> | <u>\$ 32,943.38</u> | <u>\$ 92,470.62</u> |

## **SUPPLEMENTARY INFORMATION**

**NS Public Infrastructure District No. 2**  
**Debt Service Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending September 30, 2025**

|                                      | <u>Annual Budget</u>   | <u>Actual</u>          | <u>Variance</u>     |
|--------------------------------------|------------------------|------------------------|---------------------|
| Revenues                             |                        |                        |                     |
| Interest Income                      | \$ 50,000.00           | \$ 1,991.30            | \$ 48,008.70        |
| Total Revenue                        | <u>50,000.00</u>       | <u>1,991.30</u>        | <u>48,008.70</u>    |
| Expenditures                         |                        |                        |                     |
| Paying agent fees                    | 11,000.00              | -                      | 11,000.00           |
| Bond Interest - Series 2024A         | 102,536.00             | 102,535.69             | 0.31                |
| Total Expenditures                   | <u>113,536.00</u>      | <u>102,535.69</u>      | <u>11,000.31</u>    |
| Other Financing Sources (Uses)       |                        |                        |                     |
| Transfers from other funds           | 11,000.00              | -                      | 11,000.00           |
| Total Other Financing Sources (Uses) | <u>11,000.00</u>       | <u>-</u>               | <u>11,000.00</u>    |
| Net Change in Fund Balances          | (52,536.00)            | (100,544.39)           | 48,008.39           |
| Fund Balance - Beginning             | 1,663,450.00           | 1,666,499.93           | (3,049.93)          |
| Fund Balance - Ending                | <u>\$ 1,610,914.00</u> | <u>\$ 1,565,955.54</u> | <u>\$ 44,958.46</u> |

See selected information and the summary of significant assumptions.

**NS Public Infrastructure District No. 2**  
**Capital Projects Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending September 30, 2025**

|                                  | <u>Annual Budget</u> | <u>Actual</u>          | <u>Variance</u>          |
|----------------------------------|----------------------|------------------------|--------------------------|
| Revenues                         |                      |                        |                          |
| Interest Income                  | \$ 50,000.00         | \$ 7,148.22            | \$ 42,851.78             |
| Acceptance of reimbursable costs | 5,580,381.00         | 3,493,749.73           | 2,086,631.27             |
| Total Revenue                    | <u>5,630,381.00</u>  | <u>3,500,897.95</u>    | <u>2,129,483.05</u>      |
| Expenditures                     |                      |                        |                          |
| Accounting                       | -                    | 1,021.13               | (1,021.13)               |
| Legal                            | -                    | 6,425.75               | (6,425.75)               |
| Recognition of costs             | 5,580,381.00         | 3,493,749.73           | 2,086,631.27             |
| Repayment of reimbursable costs  | 5,580,381.00         | 3,493,749.73           | 2,086,631.27             |
| Engineering                      | 15,000.00            | 5,022.50               | 9,977.50                 |
| Total Expenditures               | <u>11,175,762.00</u> | <u>6,999,968.84</u>    | <u>4,175,793.16</u>      |
| Net Change in Fund Balances      | (5,545,381.00)       | (3,499,070.89)         | (2,046,310.11)           |
| Fund Balance - Beginning         | 5,545,381.00         | 6,206,281.53           | (660,900.53)             |
| Fund Balance - Ending            | <u>\$ -</u>          | <u>\$ 2,707,210.64</u> | <u>\$ (2,707,210.64)</u> |

See selected information and the summary of significant assumptions.

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**SELECTED INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

**Notes to the Reader:**

The financial statements of the District have been prepared in accordance with the criteria established by the Governmental Accounting Standards Boards (“GASB”), which is the source of authoritative accounting principles generally accepted in the United States of America (“GAAP”), as applied to governmental entities. The District’s financial statements are prepared using the modified accrual basis of accounting. The financial statements include the following departures from GAAP:

- Management’s discussion and analysis and substantially all disclosures required are omitted.
- The statement of revenues, expenditures and changes in fund balances – governmental funds has been omitted.

The financial forecasts present, to the best of management’s knowledge and belief, the District’s expected results of operations and cash flows for the forecast periods. Accordingly, the forecasts reflects its judgment as of November 18, 2024 the date these forecasts were prepared, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The financial statements are developed by the District to comply with GAAP, although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the District’s operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

**NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2**  
**2025 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**  
**2025 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.

**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>  |
|---------------------------------|------------------|-----------------|---------------|
| 2025                            | \$ -             | \$ 102,536      | \$ 102,536    |
| 2026                            | -                | 338,650         | 338,650       |
| 2027                            | -                | 338,650         | 338,650       |
| 2028                            | -                | 338,650         | 338,650       |
| 2029                            | -                | 338,650         | 338,650       |
| 2030                            | -                | 338,650         | 338,650       |
| 2031                            | -                | 338,650         | 338,650       |
| 2032                            | 25,000           | 338,650         | 363,650       |
| 2033                            | 60,000           | 337,025         | 397,025       |
| 2034                            | 70,000           | 333,125         | 403,125       |
| 2035                            | 75,000           | 328,575         | 403,575       |
| 2036                            | 85,000           | 323,700         | 408,700       |
| 2037                            | 95,000           | 318,175         | 413,175       |
| 2038                            | 105,000          | 312,000         | 417,000       |
| 2039                            | 115,000          | 305,175         | 420,175       |
| 2040                            | 125,000          | 297,700         | 422,700       |
| 2041                            | 140,000          | 289,575         | 429,575       |
| 2042                            | 155,000          | 280,475         | 435,475       |
| 2043                            | 165,000          | 270,400         | 435,400       |
| 2044                            | 180,000          | 259,675         | 439,675       |
| 2045                            | 195,000          | 247,975         | 442,975       |
| 2046                            | 215,000          | 235,300         | 450,300       |
| 2047                            | 235,000          | 221,325         | 456,325       |
| 2048                            | 250,000          | 206,050         | 456,050       |
| 2049                            | 275,000          | 189,800         | 464,800       |
| 2050                            | 295,000          | 171,925         | 466,925       |
| 2051                            | 320,000          | 152,750         | 472,750       |
| 2052                            | 345,000          | 131,950         | 476,950       |
| 2053                            | 370,000          | 109,525         | 479,525       |
| 2054                            | 400,000          | 85,475          | 485,475       |
| 2055                            | 915,000          | 59,475          | 974,475       |
| Total                           | \$ 5,210,000     | \$ 7,940,236    | \$ 13,150,236 |

See selected information and the 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

**Year Ending**  
**December 31,**

|       | <u>Issue</u>  | <u>Accreted</u> | <u>Total Value</u> | <u>Current Interest</u> | <u>2024A-2(2)</u> | <u>Bond Principal</u> |
|-------|---------------|-----------------|--------------------|-------------------------|-------------------|-----------------------|
|       | <u>Amount</u> | <u>Amount</u>   | <u>at Maturity</u> | <u>after Conversion</u> | <u>Bonds Debt</u> | <u>Outstanding</u>    |
|       |               |                 |                    | <u>Date</u>             | <u>Service</u>    | <u>After</u>          |
|       |               |                 |                    |                         |                   | <u>Conversion</u>     |
| 2025  | \$ -          | \$ -            | \$ -               | \$ -                    | \$ -              | \$ -                  |
| 2026  | -             | -               | -                  | -                       | -                 | -                     |
| 2027  | -             | -               | -                  | -                       | -                 | -                     |
| 2028  | -             | -               | -                  | -                       | -                 | -                     |
| 2029  | -             | -               | -                  | -                       | -                 | -                     |
| 2030  | -             | -               | -                  | -                       | -                 | -                     |
| 2031  | -             | -               | -                  | -                       | -                 | -                     |
| 2032  | -             | -               | -                  | -                       | -                 | 2,660,000             |
| 2033  | 18,304        | 11,696          | 30,000             | 186,200                 | 216,200           | 2,630,000             |
| 2034  | 18,304        | 11,696          | 30,000             | 184,100                 | 214,100           | 2,600,000             |
| 2035  | 24,405        | 15,595          | 40,000             | 182,000                 | 222,000           | 2,560,000             |
| 2036  | 27,455        | 17,545          | 45,000             | 179,200                 | 224,200           | 2,515,000             |
| 2037  | 30,506        | 19,494          | 50,000             | 176,050                 | 226,050           | 2,465,000             |
| 2038  | 33,557        | 21,443          | 55,000             | 172,550                 | 227,550           | 2,410,000             |
| 2039  | 36,607        | 23,393          | 60,000             | 168,700                 | 228,700           | 2,350,000             |
| 2040  | 42,708        | 27,292          | 70,000             | 164,500                 | 234,500           | 2,280,000             |
| 2041  | 42,708        | 27,292          | 70,000             | 159,600                 | 229,600           | 2,210,000             |
| 2042  | 45,759        | 29,241          | 75,000             | 154,700                 | 229,700           | 2,135,000             |
| 2043  | 54,911        | 35,089          | 90,000             | 149,450                 | 239,450           | 2,045,000             |
| 2044  | 57,961        | 37,039          | 95,000             | 143,150                 | 238,150           | 1,950,000             |
| 2045  | 64,063        | 40,937          | 105,000            | 136,500                 | 241,500           | 1,845,000             |
| 2046  | 70,164        | 44,836          | 115,000            | 129,150                 | 244,150           | 1,730,000             |
| 2047  | 73,214        | 46,786          | 120,000            | 121,100                 | 241,100           | 1,610,000             |
| 2048  | 82,366        | 52,634          | 135,000            | 112,700                 | 247,700           | 1,475,000             |
| 2049  | 88,467        | 56,533          | 145,000            | 103,250                 | 248,250           | 1,330,000             |
| 2050  | 97,619        | 62,381          | 160,000            | 93,100                  | 253,100           | 1,170,000             |
| 2051  | 103,720       | 66,280          | 170,000            | 81,900                  | 251,900           | 1,000,000             |
| 2052  | 112,872       | 72,128          | 185,000            | 70,000                  | 255,000           | 815,000               |
| 2053  | 122,024       | 77,976          | 200,000            | 57,050                  | 257,050           | 615,000               |
| 2054  | 131,176       | 83,824          | 215,000            | 43,050                  | 258,050           | 400,000               |
| 2055  | 244,048       | 155,952         | 400,000            | 28,000                  | 428,000           | -                     |
| Total | 1,622,919     | 1,037,080       | 2,660,000          | 2,996,000               | 5,656,000         |                       |

See selected information and the summary of significant assumptions.

**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 Principals ("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 is legal, financial and administrative functions. Even as the Districts 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,

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)**

---

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



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 Connexion 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  
CLAAconnect.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.

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\(2\)](#).

*[Remainer 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<br>2025    | AMENDED<br>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<br>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<br>2024 | BUDGET<br>2025 | ACTUAL<br>6/30/2025 | ESTIMATED<br>2025 | BUDGET<br>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  | 8,487,920      | 5,685,381      | 3,503,016           | 6,079,478         | 4,150          |
| TRANSFERS IN  | 1,732,161      | 11,000         | -                   | 73,620            | 76,583         |
| Total funds available   | 10,220,081     | 13,087,626     | 11,437,798          | 14,087,879        | 1,777,200      |
| 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  | 553,139        | 11,340,298     | 7,121,847           | 12,317,792        | 401,670        |
| TRANSFERS OUT   | 1,732,161      | 11,000         | -                   | 73,620            | 76,583         |
| Total expenditures and transfers out<br>requiring appropriation | 2,285,300      | 11,351,298     | 7,121,847           | 12,391,412        | 478,253        |
| ENDING FUND BALANCES  | \$ 7,934,781   | \$ 1,736,328   | \$ 4,315,951        | \$ 1,696,467      | \$ 1,298,947   |
| 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   | \$ 1,724,950   | \$ 1,685,828   | \$ 1,603,473        | \$ 1,627,434      | \$ 1,293,747   |

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<br>2024 | BUDGET<br>2025 | ACTUAL<br>6/30/2025 | ESTIMATED<br>2025 | BUDGET<br>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<br>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<br>2024 | BUDGET<br>2025 | ACTUAL<br>6/30/2025 | ESTIMATED<br>2025 | BUDGET<br>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  | 3,550          | 50,000         | 1,952               | 3,900             | 3,750          |
| TRANSFERS IN  |                |                |                     |                   |                |
| Transfers from other funds                                      | 1,662,950      | 11,000         | -                   | 11,000            | 11,000         |
| Total funds available   | 1,666,500      | 1,724,450      | 1,668,452           | 1,681,400         | 1,582,614      |
| EXPENDITURES  |                |                |                     |                   |                |
| Debt Service  |                |                |                     |                   |                |
| Bond interest - Series 2024A-1(2)                               | -              | 102,536        | 102,536             | 102,536           | 338,650        |
| Paying agent fees   | -              | 11,000         | -                   | 11,000            | 11,000         |
| Total expenditures  | -              | 113,536        | 102,536             | 113,536           | 349,650        |
| Total expenditures and transfers out<br>requiring appropriation | -              | 113,536        | 102,536             | 113,536           | 349,650        |
| ENDING FUND BALANCES  | \$1,666,500    | \$1,610,914    | \$ 1,565,916        | \$ 1,567,864      | \$ 1,232,964   |
| 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   | \$1,662,950    | \$1,560,414    | \$ 1,562,556        | \$ 1,564,414      | \$ 1,227,764   |

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<br>2024 | BUDGET<br>2025 | ACTUAL<br>6/30/2025 | ESTIMATED<br>2025 | BUDGET<br>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  | 8,483,949      | 5,630,381      | 3,500,833           | 6,075,178         | -              |
| Total funds available   | 8,483,949      | 11,175,762     | 9,707,115           | 12,281,459        | 65,583         |
| 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  | 545,507        | 11,175,762     | 6,997,997           | 12,153,256        | -              |
| TRANSFERS OUT   |                |                |                     |                   |                |
| Transfers to other fund   | 1,732,161      | -              | -                   | 62,620            | 65,583         |
| Total expenditures and transfers out<br>requiring appropriation | 2,277,668      | 11,175,762     | 6,997,997           | 12,215,876        | 65,583         |
| ENDING FUND BALANCES  | \$6,206,281    | \$ -           | \$ 2,709,118        | \$ 65,583         | \$ -           |

See summary of significant assumptions.

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

**Services Provided**

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

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

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

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

**Revenues**

**Interest Income**

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

**Expenditures**

**Administrative Expenditures**

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

**Capital Outlay**

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

**Debt Service**

Interest payments are provided based on the schedule of debt service requirements to maturity for the Series 2024A-1(2) Bonds (discussed under debt and leases).

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

**Debt and Leases**

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

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

**This information is an integral part of the accompanying budget.**

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

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

Series 2024A-1(2)

Dated November 12, 2024

Interest Rate - 6.500%

Interest and Principal Payable March 1

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

See summary of significant assumptions.

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

\$1,622,919 Convertible Capital Appreciation Bonds

Series 2024A-2 (2)

Dated November 12, 2024

Interest Rate - 7.000%

Payable March 1

Conversion Date March 1, 2032

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

See summary of significant assumptions.