

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Bond Act”), and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Refunding Bond Act” and collectively with the Bond Act, the “Act”) that on April 15, 2026, the City Council (the “Council”) of Salem City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) authorizing the issuance of the Issuer’s Water and Sewer Revenue and Refunding Bonds, Series 2026 (the “Bonds”), to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer and called a public hearing to receive input from the public with respect to (a) the issuance of that portion of the Series 2026 Bonds issued under the Bond Act, and (b) any potential impact that the Project (defined below) financed with the proceeds of that portion of the Series 2026 Bonds issued under the Bond Act may have on the private sector.

PURPOSE, TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on May 20, 2026, at the hour of 7:00 p.m. at the Salem City Offices, 30 West 100 South, Salem, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of that portion of the Bonds issued under the Bond Act and (b) any potential economic impact that the project to be financed with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE BONDS

The Bonds will be issued for the purpose of (a) financing capital improvements to the water and sewer system and related improvements (collectively, the “Project”), (b) refunding all or a portion of the Issuer’s outstanding Sewer Revenue Bonds (the “Refunded Bonds”), (c) funding any required deposit to a debt service reserve fund, and (c) paying costs of issuance with respect to the Bonds.

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds in the aggregate principal amount of not more than Forty-Five Million Dollars (\$45,000,000), to mature in not more than thirty-five (35) years from their date or dates, to be sold at a price of not less than ninety-eight percent (98%) of the total principal amount thereof, and to bear interest at a fixed rate or rates not to exceed six and one half percent (6.5%) per annum, or if issued as variable rate bonds, at a variable rate of not more than fifteen percent (15.0%) per annum. The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution a General Indenture of Trust and one or more Supplemental Indentures of Trust (together, the “Indenture”), which were before the Council in substantially final form at the time of the adoption of the Resolution.

REVENUES PROPOSED TO BE PLEDGED

The Bonds are special, limited obligations of the Issuer payable from the net revenues (the “Revenues”) of the Issuer’s water and sewer systems (the “System”).

