

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
SPECIAL MEETING
Tuesday, August 11, 2026, at 11:00 a.m.
ANCHOR LOCATION: 1648 North 1130 West, Salem, UT 84653

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

LINK:

<https://us06web.zoom.us/j/88597792249?pwd=JPI15RvvSDycUoUK0Jwtn50dGVoMIz.1>

Meeting ID: 885 9779 2249

Passcode: 207373

BY PHONE: 1-720-707-2699

Trustees	Terms
Burke Staker – Chair	Term from August 7, 2024 to 6 years from appointment
Ryan Beck – Treasurer/Vice Chair	Term from August 7, 2024 to 4 years from appointment
Josh Clark - Secretary	Term from May 2, 2024 to 6 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. Action Items
 - a. Approve Minutes from April 15, 2026 Special Meeting
 - b. Approval of Claims Listing
 - c. Approval of June 30, 2026 Unaudited Financials
 - d. Approve First Amendment to Governing Document
 - e. Approve First Amendment to Interlocal Agreement with Salem City
5. Administrative Non-Action Items
 - a. Acknowledgment of Josh Clark’s Resignation from the Board
 - b. Next regular meeting October 9, 2026 at 11:00am
6. Adjourn

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF THE
NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2
HELD APRIL 15, 2026 AT 9:00 A.M. AT
ANCHOR LOCATION: 460 W. 50 N. SUITE 300, SALT LAKE CITY, UT 84101
AND VIA TELECONFERENCE**

The special meeting of the Board of Directors of NS Public Infrastructure District No. 2 was called and held in accordance with the applicable laws of the State of Utah. The following Directors, having confirmed their qualifications to serve, were in attendance:

Attendance

Burke Staker, Chair – in person at anchor location
Ryan Beck, Treasurer/Vice Chair – via teleconference
Josh Clark, Clerk/Secretary – via teleconference

Also present were Megan J. Murphy, Esq., Betsy Fowler Russon, Esq. and Allison L. Hanson, WBA, PC, Attorneys at Law, District General Counsel; Shelby Clymer, CliftonLarsonAllen, LLP, District Accountant; and Chase Hanusa, The Connexion Group, District Engineer.

Call to Order/Declaration of Quorum

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

Preliminary Action Items

Approve Agenda

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

Conflict of Interest Disclosures

Ms. Murphy inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted.

Public Comment

No members of the public were in attendance.

Action Items

Approve Minutes from January 22, 2026 Special Meeting

Ms. Murphy presented the minutes from the January 22, 2026 special meeting to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Clark, and upon a vote unanimously carried, the Board approved the minutes from the January 22, 2026 special meeting.

Approval of Claims Listing

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

Approval of March 31, 2026 Unaudited Financials

Ms. Clymer presented the March 31, 2026 Unaudited Financials to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board accepted the March 31, 2026 Unaudited Financials.

Acceptance of 2025 Draft Audit

Ms. Clymer presented the 2025 Draft Audit to the Board for consideration. Following review and discussion, upon a motion duly made by Mr. Staker, seconded by Mr. Beck, and upon a vote unanimously carried, the Board accepted the 2025 Draft Audit.

Adoption of Resolution Identifying an Anchor Location for Meetings of the Board

Ms. Murphy presented the Resolution Identifying an Anchor Location for Meetings of the Board 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 determined to designate the sales trailer within the District as its Anchor Location and adopted the Resolution Identifying an Anchor Location for Meetings of the Board as amended.

Administrative Non-Action Items

Confirmation of Completed Annual Trustee Training – Open and Public Meetings Act Training 2026

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

Adjourn

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

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

Secretary for the Meeting

The foregoing minutes were approved on the 11th day of August, 2026.

NS Public Infrastructure District No. 2
Payment Listing
April 1, 2026 - June 30, 2026

<u>Process Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Payment Method</u>	<u>Amount</u>
5/15/2026	White Bear Ankele Tanaka & Waldron	Legal	Requisition	800.84
5/29/2026	CliftonLarsonAllen	Accounting	Requisition	4,212.86
5/29/2026	White Bear Ankele Tanaka & Waldron	Legal	Requisition	2,773.66
6/23/2026	CliftonLarsonAllen	Accounting	Requisition	2,230.45
6/23/2026	White Bear Ankele Tanaka & Waldron	Legal	Requisition	281.09
				<u>10,298.90</u>

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 2

FINANCIAL STATEMENTS

JUNE 30, 2026

NS Public Infrastructure District No. 2
Balance Sheet - Governmental Funds
June 30, 2026

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
UMB Bond Fund 2024A	\$ -	\$ 616,956.97	\$ -	\$ 616,956.97
UMB Surplus fund 2024A	-	649,207.46	-	649,207.46
UMB Project Fund 2024A	-	-	368,710.90	368,710.90
UMB Project Fund 2024B	-	-	1,594,279.75	1,594,279.75
UMB Admin Expenses Fund 2024A	58,619.39	-	62,620.14	121,239.53
Total Assets	<u>\$ 58,619.39</u>	<u>\$ 1,266,164.43</u>	<u>\$ 2,025,610.79</u>	<u>\$ 3,350,394.61</u>
Liabilities				
Accounts Payable	\$ 3,670.19	\$ -	\$ -	\$ 3,670.19
Total Liabilities	<u>3,670.19</u>	<u>-</u>	<u>-</u>	<u>3,670.19</u>
Fund Balances	<u>54,949.20</u>	<u>1,266,164.43</u>	<u>2,025,610.79</u>	<u>3,346,724.42</u>
Liabilities and Fund Balances	<u>\$ 58,619.39</u>	<u>\$ 1,266,164.43</u>	<u>\$ 2,025,610.79</u>	<u>\$ 3,350,394.61</u>

See selected information and the summary of significant assumptions.

NS Public Infrastructure District No. 2
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2026

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest Income	\$ 400.00	\$ 7.25	\$ 392.75
Total Revenue	<u>400.00</u>	<u>7.25</u>	<u>392.75</u>
Expenditures			
Accounting	20,520.00	10,809.76	9,710.24
Auditing	8,500.00	-	8,500.00
Insurance	4,000.00	-	4,000.00
Legal	19,000.00	8,170.14	10,829.86
Total Expenditures	<u>52,020.00</u>	<u>18,979.90</u>	<u>33,040.10</u>
Other Financing Sources (Uses)			
Transfers to other fund	(11,000.00)	(7,179.89)	(3,820.11)
Transfers from other funds	65,583.00	66,370.60	(787.60)
Total Other Financing Sources (Uses)	<u>54,583.00</u>	<u>59,190.71</u>	<u>(4,607.71)</u>
Net Change in Fund Balances	2,963.00	40,218.06	(37,255.06)
Fund Balance - Beginning	63,020.00	14,731.14	48,288.86
Fund Balance - Ending	<u>\$ 65,983.00</u>	<u>\$ 54,949.20</u>	<u>\$ 11,033.80</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 June 30, 2026

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ -	\$ 787.60	\$ (787.60)
Interest Income	3,750.00	71.04	3,678.96
Total Revenue	<u>3,750.00</u>	<u>858.64</u>	<u>2,891.36</u>
Expenditures			
Paying agent fees	11,000.00	7,000.00	4,000.00
Bond Interest - Series 2024A-1(2)	338,650.00	338,650.00	-
Total Expenditures	<u>349,650.00</u>	<u>345,650.00</u>	<u>4,000.00</u>
Other Financing Sources (Uses)			
Transfers to other fund	-	(787.60)	787.60
Transfers from other funds	11,000.00	7,000.00	4,000.00
Total Other Financing Sources (Uses)	<u>11,000.00</u>	<u>6,212.40</u>	<u>4,787.60</u>
Net Change in Fund Balances	(334,900.00)	(338,578.96)	3,678.96
Fund Balance - Beginning	1,567,864.00	1,604,743.39	(36,879.39)
Fund Balance - Ending	<u>\$ 1,232,964.00</u>	<u>\$ 1,266,164.43</u>	<u>\$ (33,200.43)</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 June 30, 2026

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest Income	\$ -	\$ 98.28	\$ (98.28)
Total Revenue	<u>-</u>	<u>98.28</u>	<u>(98.28)</u>
Expenditures			
Engineering	-	131.25	(131.25)
Total Expenditures	<u>-</u>	<u>131.25</u>	<u>(131.25)</u>
Other Financing Sources (Uses)			
Transfers to other fund	(65,583.00)	(65,583.00)	-
Transfers from other funds	-	179.89	(179.89)
Total Other Financing Sources (Uses)	<u>(65,583.00)</u>	<u>(65,403.11)</u>	<u>(179.89)</u>
Net Change in Fund Balances	(65,583.00)	(65,436.08)	(146.92)
Fund Balance - Beginning	65,583.00	2,091,046.87	(2,025,463.87)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,025,610.79</u>	<u>\$ (2,025,610.79)</u>

**NS PUBLIC INFRASTRUCTURE DISTRICT
SELECTED INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2026**

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 10, 2025, 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.

The December 31, 2025 financial statements are subject to an audit which is in progress as of July 17, 2026. Any adjustments resulting from the audit are not included in these financial statements. Adjustments may be material.

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 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

<u>Year Ending</u> <u>December 31,</u>	<u>Issue</u> <u>Amount</u>	<u>Accreted</u> <u>Amount</u>	<u>Total Value</u> <u>at Maturity</u>	<u>Current Interest</u> <u>after Conversion</u> <u>Date</u>	<u>2024A-2(2)</u> <u>Bonds Debt</u> <u>Service</u>	<u>Bond Principal</u> <u>Outstanding</u> <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 selected information and the summary of significant assumptions.

**FIRST AMENDMENT TO GOVERNING DOCUMENT
FOR
NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5
SALEM CITY, UTAH**

Approved by the City: June 17, 2026

Approved by the Districts: _____, 2026

Amending the Governing Document

Dated March 15, 2024

FIRST AMENDMENT TO GOVERNING DOCUMENT

This FIRST AMENDMENT TO GOVERNING DOCUMENT, dated as of June 17, 2026 (the “First Amendment”), amends and supplements the Amended and Restated Governing Document for NS Public Infrastructure District Nos. 1-5 (collectively, “Districts”) dated March 15, 2024 (the “Original Governing Document”). This First Amendment shall become effective upon passage of resolutions of the City and the Districts approving this First Amendment, in accordance with the provisions of the Original Governing Document.

I. Purpose and Intent of First Amendment

The purpose of this First Amendment is to: (1) amend the appointment of the Boards such that such Boards are self-appointing and (2) amend the disclosures for the Districts to require a sign be placed outside of model homes, each as described herein. The Interlocal Agreement is also being amended as part of this First Amendment.

II. Amendment to Section VI of the Original Governing Document

Section VI of the Original Governing Document is hereby amended to read as follows:

A. Board Composition. Each Board shall be composed of five (5) Trustees who were initially appointed by the City Council. Trustee terms shall be staggered with initial terms as follows: Trustees 1 and 2 shall serve an initial term of four (4) years; Trustees 3, 4, and 5 shall each serve an initial term of six (6) years. All terms commenced on the date of issuance of a certificate of creation by the Office of the Lieutenant Governor of the State of Utah. In accordance with the PID Act, appointed Trustees shall not be required to be residents of the District.

B. Transition to Elected Board.

(a) For a District anticipated to include residential uses, At the time of annexation of property into a District, such District shall estimate the total number of residential units within the District at full buildout of the property within the District (the “Anticipated Units”). Upon any annexation or withdrawal in accordance with this Governing Document, any affected District may adjust its Anticipated Units to reflect such boundary change. The respective board seats for the District Boards with residential property shall transition from appointed to elected seats according to the following milestones:

Trustee 1. Trustee 1 shall transition to an elected seat after the end of a full term during which 50% of the Anticipated Units have received certificates of occupancy.

Trustee 2. Trustee 2 shall transition to an elected seat after the end of a full term during which 75% of the Anticipated Units have received certificates of occupancy.

Trustee 3. Trustee 3 shall transition to an elected seat after the end of a full term during which 80% of the Anticipated Units have received certificates of occupancy.

Trustee 4. Trustee 4 shall transition to an elected seat after the end of a full term during which 90% of the Anticipated Units have received certificates of occupancy.

Trustee 5. Trustee 5 shall transition to an elected seat after the end of a full term during which 100% of the Anticipated Units have received certificates of occupancy.

(b) For any District which is not anticipated to include any residential property, the Board shall be appointed by the Board and comprised of owners of land or agents and officers of an owner of land within the boundaries of the District. Any property owner owning at least one-fifth of the taxable value of the property within such District shall be entitled to nominate one trustee seat for each one-fifth value (provided that the Board retains discretion to reject any nominee and request a new nominee from such property owner).

(c) No transition pursuant to this Section on the basis of the number of building permits issued shall become effective until the next scheduled regular election of the Districts. Seats set to transition on January 1 of a given year shall hold an election for such seats at the regular election immediately preceding such January 1.

C. Reelection and Reappointment. Upon the expiration of a Trustee's respective term, any seat which has not transitioned to an elected seat shall be appointed by the respective Board pursuant to the PID Act and any seat which has transitioned to an elected seat shall be elected at the next municipal election pursuant to an election held for such purpose. In the event that no qualified candidate files to be considered for appointment or files a declaration of candidacy for a seat, such seat may be filled in accordance with the District Act.

D. Vacancy. Any vacancy on a Board, whether resulting from resignation, death, removal, disqualification, or any other cause, shall be filled by appointment of the applicable Board in accordance with Section 17D-4-202, Utah Code; provided that, until such time as the applicable District's board seats have transitioned from appointment to election in accordance with Section VI.B above, any such appointee shall be a surface owner of land, or an agent or officer of a surface owner of land, within the boundaries of such District, and shall otherwise meet the eligibility requirements set forth in the PID Act. A Trustee appointed to fill a vacancy shall serve for the remainder of the unexpired term of the vacated position

E. Compensation. Only Trustees who are residents of the Districts may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

F. Conflicts of Interest. Trustees shall disclose all conflicts of interest. Any Trustee who discloses such conflicts in accordance with 17D-4-202 and 67-16-9, Utah Code, shall be entitled to vote on such matters.

III. Amendment to Section XI.B of the Original Governing Document

Section XI.B of the Original Governing Document is hereby amended to read as follows:

B. Notice to Buyers and Lessees. In addition, the Board of each District shall make commercially reasonable efforts to ensure that the Project developer, homebuilders, sub-

developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants in such District:

- (1) All of the information in the first paragraph of this XI.A.;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, **for every \$100,000 of taxable value**, there would be an **additional annual property tax of [\$400 [ON FOR-SALE RESIDENTIAL]] [\$600 [ON FOR-RENT APARTMENTS AND COMMERCIAL]]** for the duration of the District’s Bonds.”
- (3) Such disclosures shall be contained on a separate-colored page of the applicable closing or lease documents and shall require a signature of such End User acknowledging the foregoing.

Additionally, the Developer and the Board shall ensure that the Developer, homebuilders, and commercial developers, and commercial lessors, as applicable post a notice, in the same form and size (or larger) as the form attached as **Exhibit F** in a conspicuous area on bright-colored paper within all model homes and sales offices within the Districts.

Beginning August 1, 2026, the Developer and the Board shall also ensure that the Developer, homebuilders, and commercial developers, and commercial lessors, as applicable post a notice that is 18” x 24” which states: **NOTICE: This Development is located within the NS Public Infrastructure Districts.** Such notice shall be placed outside any model homes or sales office in the Development and utilize large font such that the words fill the sign.

The Developer shall obligate any homebuilder, commercial developer, or bulk lot purchaser to provide the notices contained in this Section XI.B as part of any purchase agreement to such homebuilder, commercial developer, or bulk lot purchaser.

IV. Effective Date; First Amendment Construed with Governing Document

This First Amendment shall become effective upon adoption of resolutions of the City Council and each Board, each approving such First Amendment, with an effective date of June 17, 2026. All of the provisions of this First Amendment supplement and amend the Governing Document, and shall be deemed to be, and shall be construed as, part of the Governing Document to the same extent as if fully set forth therein.

**FIRST AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN
SALEM CITY, UTAH
AND
NS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5**

THIS FIRST AMENDMENT is made and entered into as of June 17, 2026, and amends that Interlocal Agreement by and between the Salem City, Utah, a municipal corporation (“City”), and NS Public Infrastructure District Nos. 1-5, each a political subdivision of the State of Utah (collectively, the “Districts”) dated March 15, 2024 (the “Interlocal Agreement”). The City and the Districts are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to exercise powers as are more specifically set forth in the District’s Governing Document approved by the City on March 15, 2024 (“Governing Document”); and

WHEREAS, the City and the District desire to amend the Governing Document and the Interlocal Agreement to (1) amend the appointment of the Boards such that such Boards are self-appointing and (2) amend the disclosures for the Districts to require a sign be placed outside of model homes, each as described herein; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this First Amendment to Interlocal Agreement (“Amendment”).

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Defined Terms. Capitalized terms used in the Interlocal Agreement and herein and not otherwise defined shall have the meanings ascribed to them in the Governing Document, as may be amended from time to time (including as amended herewith).

2. Amendment to Section 11 of Interlocal Agreement. Section 12 of the Interlocal Agreement is hereby amended to read as follows:

11. Disclosure to Purchasers; Annual Notice. The Districts shall comply with the disclosure and notice requirements established in the Governing Document.

3. Effective Date. These amendments shall become effective upon the execution hereof, with an effective date of June 17, 2026.

[SIGNATURE PAGE TO FIRST AMENDMENT TO INTERLOCAL AGREEMENT]

NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 1

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 2

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 3

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 4

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

NS PUBLIC INFRASTRUCTURE DISTRICT
NO. 5

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

SALEM CITY, UTAH

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____