KANE SPRINGS IMPROVEMENT DISTRICT
BOARD OF TRUSTEES
PUBLIC MEETING AGENDA

The Kane Springs Improvement District Board of Trustees ("**Board**") will meet in public session to hold its Board Meeting as follows:

Date and time: August 7, 2026, at 1:00 PM (or as soon as practicable thereafter)
Format: In person with invited electronic participation
Physical Location: 1813 Kane Springs Road (Onsite Construction Structure)
Echo Canyon, Grand County, Utah 84532

The public is welcome to attend the Board Meeting. Board members and invited participants may participate electronically. Please contact Jay Springer at (801) 762-6377 or jay@meridianland.law with any questions regarding public participation in the meeting. The Agenda includes the following items, any of which may be acted on, discussion only, or deferred to a later date:

1) Welcome and call meeting to order, Craig Weston, Board Chair
2) Approval of Minutes:
  a) June 4, 2026
3) Public Hearings
  a) None
4) Discussion/Action Items
  a) Approve auditor contract
  b) Approve legal counsel contract
  c) Financial Resolution
    (i) Repeal and replace Resolution 2023-02 for initial capital transactions
    (ii) Approve infrastructure and equipment financing agreement
    (iii) Approve administration funding and reimbursement agreement
    (iv) Approve and ratify Note for 2026 fiscal year transactions
  d) Resolution to ratify actions of prior board meetings and related administrative clarifications.
    (i) Annual meeting schedule amendment and clarification
    (ii) Ratify Actions of September 7, 2023 (electronic meeting) (Correct references to September 5, 2023, incorrect meeting date, minutes approval (June 14, 2023), approval to pursue conditional use permit actions)
    (iii) Ratify Actions of February 23, 2024 (electronic meeting) (Board and Officer Positions, minutes approval (September 7, 2023), annual training, 2024 meeting schedule)
    (iv) Ratify Actions of May 16, 2024 (electronic meeting) (minutes approval (February 23, 2024), 2024 Tentative Budget Approval and Scheduling Hearing)
    (v) Ratify Actions of May 23, 2024 (electronic meeting and hearing with public present) (minutes approval (May 16, 2024), 2024 Budget hearing and Approval)
5) Board Member Reports (and others as invited by the Chair)
6) Potential closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, the sale or purchase of real property, and/or other matters as permitted by Utah Code §§ 52-4-204 through 205 (if needed, motion and majority vote required to proceed)
7) Adjournment

KANE SPRINGS IMPROVEMENT DISTRICT
BOARD MEETING MINUTES
June 4, 2026 at 2:00 pm

Call to Order

Meeting was called to order at 2:00 pm.
The meeting was held in person with invited electronic participation.

Physical location was at: 1813 Kane Springs Road (Onsite Construction Structure), Echo Canyon, Grand County, Utah 84532

Present in the meeting were:

Craig Weston, Chair
Trent Arnold, Board Member
Tom Gottlieb, Board Member
Jay Springer, Board Counsel

AGENDA

Welcome and call meeting to order.

Approval of Minutes from Prior Meeting:

- Minutes of Meeting held on May 28, 2026 for Approval:
  - Motion by: Board Member Gottlieb to approve the minutes of the May 28, 2026 meeting.
  - Seconded by: Board Member Arnold.
  - Result: Passed Unanimously.
  - Notable discussion: None.
  - Related documents: Approved minutes.

Public Hearings:

a. Budget Hearing: FY 2026 Amendment.
b. Budget Hearing: FY 2027 Tentative to Final.
   Jay Springer stated that the two budget hearings could be opened together and that no written comments or questions had been received other than an email request, which was directed to the public notice website where the budget materials had been posted.

- <u>Motion by:</u> Chair Weston to open the public hearings for the FY 2026 amendment and the FY 2027 tentative to final budget.
- <u>Seconded by:</u> Board Member Arnold.
- <u>Result:</u> Passed Unanimously.
- <u>Notable discussion:</u> Public comment was received from Dave Klosser regarding the FY 2026 amendment, including questions about the $1.3 million loan/equipment expense, related lending agreement, and KSID reimbursement/payment obligations. Jay Springer referred to the prior meeting, October meeting materials, and the public notice website. No other public comments were received.
- <u>Related documents:</u> FY 2026 amended budget materials and FY 2027 budget materials.
- <u>Motion by:</u> Chair Weston to close the public hearings/public comment portion for the FY 2026 amendment and FY 2027 budget.
- <u>Seconded by:</u> Board Member Gottlieb.
- <u>Result:</u> Passed Unanimously.
- <u>Notable discussion:</u> None.
- <u>Related documents:</u> None.

Discussion/Action Items:

a. Resolution: Cash Receipting and Deposit Policy.
Jay Springer reviewed the cash receipting and deposit policy, noting that the District is not currently serving end-user customers and that any cash handling would require prior Board approval. No separate action was taken.

b. Resolution: Credit Card and Purchasing Cards Policy.
Jay Springer reviewed the credit card and purchasing cards policy, noting that cards are not currently authorized and would require Board approval if needed. Chair Weston noted that the District would likely continue using ACH payments. No separate action was taken.

c. Resolution: IT and Computer Security Policy.
Jay Springer reviewed the IT and computer security policy, noting that it may become relevant as the District acquires or operates systems or equipment. No separate action was taken.

d. Resolution: Personal Use of Entity Assets Policy.
Jay Springer reviewed the personal use of entity assets policy, noting that it would apply to District-owned vehicles, computers, cell phones, or similar assets if acquired in the future. No separate action was taken.

e. Resolution: Travel and Reimbursement Policy.

Jay Springer reviewed the travel and reimbursement policy, noting that reimbursements are not generally expected at this time and that the policy may be updated if the District later hires operational personnel. Jay Springer stated that the five policies would be approved together in one resolution.

- Motion by: Board Member Gottlieb to adopt the resolution approving the Cash Receipting and Deposit Policy, Credit Card and Purchasing Cards Policy, IT and Computer Security Policy, Personal Use of Entity Assets Policy, and Travel and Reimbursement Policy.
- Seconded by: Board Member Arnold.
- Result: Passed Unanimously.
- Notable discussion: The Board discussed each policy separately, but approved the five policies together in one resolution.
- Related documents: Resolution **2026-05** adopting the five listed policies.

f. Budget Resolution.

- Motion by: Board Member Arnold to adopt the budget resolution adopting the final amended budget for FY 2026 and the final budget for FY 2027.
- Seconded by: Chair Weston.
- Result: Passed Unanimously.
- Notable discussion: Chair Weston noted that the budget items had been previously discussed and that he did not see any changes. Board Members Gottlieb and Arnold had no questions or comments.
- Related documents: Budget resolution **2026-06**.

Board Member Reports (and others as invited by the Chair). There were none.

POTENTIAL CLOSED SESSION TO DISCUSS THE CHARACTER, PROFESSIONAL COMPETENCE, OR PHYSICAL OR MENTAL HEALTH OF AN INDIVIDUAL, PENDING OR REASONABLY IMMINENT LITIGATION, THE SALE OR PURCHASE OF REAL PROPERTY, AND/OR OTHER MATTERS AS PERMITTED BY UTAH CODE §§ 52-4-204 THROUGH 205 (if needed)

There was no closed session.

Adjournment

- Motion by: Chair Weston to adjourn the meeting.
- Seconded by: Board Member Arnold.
- Result: Passed Unanimously.
- Notable discussion: None.
- Related documents: None.

June 26, 2026

Kane Springs Improvement District
50 West Broadway, Ste 300
Salt Lake City, Utah 84101

To the Board of Directors and Management:

The following represents our understanding of the services we will provide Kane Springs Improvement District.

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kane Springs Improvement District as of June 30, 2026, and for the year then ended and the related notes, which collectively comprise Kane Springs Improvement District's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements 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 made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General fund.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kane Springs Improvement District's ability to continue as a going concern for a reasonable period of time.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Improper revenue recognition is considered an inherent risk according to GAAS.
- Management override of controls is considered an inherent risk according to GAAS.
- Cash disbursements are considered a significant risk for governmental entities as they are dealing with public funds.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Kane Springs Improvement District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. To provide us with:

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   i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
   ii. Additional information that we may request from management for the purpose of the audit;
   iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
   iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
   v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.

d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
f. For adjusting the basic 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 current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
g. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
j. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Non-attest Services

With respect to any non-attest services we perform, assistance with the preparation of the basic financial statements, we will not assume management responsibilities on behalf of Kane Springs Improvement District in performing its responsibilities. However, we will provide advice and recommendations to assist management of Kane Springs Improvement District in performing its responsibilities.

Kane Springs Improvement District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards, including, U.S. generally accepted accounting principles and the Uniform Guidance.

- The non-attest services are limited to the preparation of the basic financial statements as previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of Kane Springs Improvement District's basic financial statements. Our report will be addressed to the Board of Directors of Kane Springs Improvement District. 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, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in approximately September 2025 and to issue our reports no later than December 31, 2025. Jon S. Haderlie, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $9,000-$10,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. 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(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee 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.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

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During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We ill bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Larson & Company, PC and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Utah State Auditor's Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Larson & Company, PC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Utah State Auditor's Office. The Utah State Auditor's Office may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Entire Agreement

This agreement, including Terms and Conditions Addendum, represent the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this agreement must be made in writing and signed by both parties.

Very truly yours,

Larson & Company, PC

Larson & Company, PC

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RESPONSE:

This letter correctly sets forth the understanding of Kane Springs Improvement District.

Management signature: ____________________________

Title: ____

Date: ____

Governance signature: _____________________________

Title: ____

Date: ____

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TERMS AND CONDITIONS ADDENDUM

Use of Third Parties

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to confirmation services with financial institutions. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Audit Documentation

The audit documentation for this engagement is the property of Larson & Company PC (“Larson & Company”) and constitutes confidential information. In some circumstances, we may be required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for you. So long as we are not a party to the proceedings in which the information is sought, you agree to pay any and all reasonable expenses including fees and costs for our time, as well as any legal or other fees that we incur as a result of such appearance or production of documents. If requested, access to such audit documentation will be provided under the supervision of Larson & Company’s personnel.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason.
If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Portals

We will utilize Suralink, a collaborative, virtual workspace in a protected, online environment. Suralink permits real-time collaboration across geographic boundaries and time zones and allows Larson & Company and you to share data, engagement information, and deliverables in a protected environment. In order to use Suralink, you may be required by the provider of Suralink to execute a portal agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that we have no responsibility for the activities of Suralink and agree to indemnify and hold us harmless with respect to any and all claims arising from your misuse of Suralink.

Larson & Company is not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by Larson & Company with or without notice to you.
If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for

any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's' identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Brokerage, Investment Advisory or Digital Asset Statements

If you provide our firm with copies of brokerage, investment advisor, or digital asset statements, we will use the information solely for the purpose described in the Engagement Objective and Scope section of this Agreement. We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering into transactions or investment activities on your behalf.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the AAA Accounting and Related Services Arbitration Rules and Mediation Procedures before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in Utah.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No

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recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.
This provision shall not apply to any dispute of fees owed, billed or due.

Indemnification of Larson & Company
You agree to hold us harmless from any and all claims which arise from knowing misrepresentations to us, or the intentional withholding or concealment of information from us by your management. You also agree to indemnify us for any claims made against us by third parties, which arise from any of these actions by your management. The provisions of this paragraph shall apply regardless of the nature of the claim.

Designation of Venue and Jurisdiction
In the event of a dispute, the courts of the state of Utah shall have exclusive jurisdiction, and all disputes will be submitted to the state of Utah. We also agree that the law of the state of Utah, except for laws governing the choice of law, shall govern all such disputes.

Timing for Disputes
You agree that any claim arising out of this Agreement shall be commenced within 3 year(s) from the date our services conclude as outlined in the Timing of the Engagement section of the Agreement, regardless of any longer period of time for commencing such claim as may be set by law. A claim is understood to be a demand for money or services, the service of a suit, or the institution of arbitration proceedings against Larson & Company.
Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.
Our obligations under this Agreement are solely obligations of Larson & Company, and no Larson & Company stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability
If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability
The following sections of this Terms and Conditions Addendum shall survive termination of the Agreement: Limitation of Liability, Limitation of Damages, Indemnification, and Timing for Disputes.

Assignment, No Third-Party Beneficiaries
All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Larson & Company, and no third-party beneficiaries are created hereby.

Force Majeure
Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts
Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, “electronic signature” includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the

MERIDIAN
LAND COUNSEL, PLLC

Jay L. Springer
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meridianland.law

Meridian Land Counsel, PLLC
Broadway Media Center
50 West Broadway, Suite 300
Salt Lake City, Utah 84101

LEGAL REPRESENTATION AGREEMENT
between MERIDIAN LAND COUNSEL, PLLC and KANE SPRINGS IMPROVEMENT DISTRICT

This Legal Representation Agreement ("**Agreement**") confirms that Meridian Land Counsel, PLLC, a Utah professional limited liability company ("**Firm**") has been retained by Kane Springs Improvement District, a political subdivision of the state of Utah ("**Client**") to provide legal services under the terms set forth below. The effective date of this Agreement is January 1, 2026.

Please review this Agreement carefully. If acceptable, the Client should execute and return a signed copy to the Firm. A scanned or electronic signature shall be treated as an original. This Agreement supersedes and replaces any prior engagement or representation agreements between the parties relating to these services. If a retainer is required, work may not begin until received by the Firm.

1. Scope of Representation

The Firm is retained to provide legal services to the Client as described in **Exhibit A** ("**Scope of Services**"), which is incorporated by reference and made part of this Agreement. Any services outside the scope described in Exhibit A will be undertaken only by mutual written agreement.

2. Fees and Billing; Retainer

No retainer is required at this time. The Firm's fees are based on the time spent by attorneys and support staff assigned to the matter at the Firm's then-current hourly rates. Rates are subject to periodic adjustment, no more frequently than once annually. The Firm may assign personnel as it deems appropriate to provide efficient and cost-effective representation.

The rates in effect upon as of the date above for the Client are: Attorneys not to exceed $280.00 per hour; paralegals not to exceed $150.00 per hour; and other staff not to exceed $100.00 per hour.

Invoices are generally issued monthly and are due within thirty (30) days of the invoice date. Unpaid balances may accrue interest at the rate of one and one-half percent (1.5%) per month.

3. Costs and Expenses

In addition to attorney fees, the client is responsible for reasonable out-of-pocket costs incurred in connection with the representation. Such costs may include filing and recording fees, expert or consultant fees, electronic legal research, and delivery or mailing services. Routine overhead expenses are included in attorney fees unless otherwise stated.

4. Client Responsibilities and Communication

Client agrees to cooperate with the Firm, to provide complete and accurate information, to respond reasonably to requests for direction or materials, and to keep the Firm informed of relevant developments. Client understands that time spent on communications, meetings, and telephone calls related to the representation is billable, except for inquiries regarding invoices.

The Firm will keep Client reasonably informed about the status of matters and will provide copies of significant correspondence and filings as appropriate.

5. No Guarantee of Outcome

The Firm has made no promises or guarantees regarding the outcome, cost, or timing of any matter. Any discussion of anticipated results or potential costs represents professional judgment only and is not a guarantee of outcome.

6. Conflicts of Interest

The Firm represents other clients. Client agrees that the Firm may represent other current or future clients in matters that are not the same as or substantially related to the Firm's work for Client, even if the interests of those clients may be adverse to Client, provided the representation complies with the Utah Rules of Professional Conduct. The Firm will not represent another client in the same matter or a substantially related matter adverse to the Client without appropriate consent.

7. Fee Security and Enforcement

To the extent permitted by law, the Firm's fees and costs are secured by an attorney's lien pursuant to Utah Code Ann. § 38-2-7, or other applicable law. In any action to enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and costs.

8. Termination of Representation

Client may terminate the Firm's representation at any time. The Firm may withdraw as permitted by applicable rules of professional conduct. Upon termination for any reason, Client remains responsible for payment of all fees and costs incurred through the effective date of termination.

9. Confidentiality

Communications between Client and the Firm are generally protected by the attorney-client privilege and applicable confidentiality rules. Client understands that the privilege may be waived if communications are shared with third parties, and that disclosure may be required in limited circumstances as permitted or required by law.

10. Use of Technology and Artificial Intelligence

The Firm may use various technology tools, including tools that incorporate artificial intelligence ("AI"), including generative AI, to assist with tasks such as legal research, document analysis, and drafting. The Firm's use of such tools is subject to internal safeguards and policies, and we will not input any of your confidential or personally identifiable information into public or unsecured AI platforms. All AI-assisted work is reviewed, verified, and approved by a qualified attorney to ensure accuracy and the application of professional judgment, and all legal advice and work product remain the responsibility of the Firm's attorneys. You may opt out of the Firm's use of AI tools in connection with your matter at any time by providing written notice to us at jay@meridianland.law.

11. Governing Law and Venue

This Agreement is governed by the laws of the State of Utah. Any dispute arising under this Agreement shall be resolved in a court of competent jurisdiction located in Utah, unless otherwise required by law.

[signature page follows]

Meridian Land Counsel, PLLC

Dated: ____________________

____
By: Jay L. Springer
Its: Principal Attorney

Kane Springs Improvement District

Dated: ____________________

____
By:
Its: ______________________________

EXHIBIT A

Scope of Services

The Firm shall provide legal services to Client as requested and authorized by Client, which may include some or all of the following, depending on Client's needs:

1. **District General Counsel.** The Firm will serve as general counsel to the Client, providing ongoing legal advice regarding statutory authority, governance, public finance, land use, infrastructure development, and operational compliance. Services may include advising the governing body (board) and staff; preparing and reviewing resolutions, notices, meeting agendas, minutes, policies, interlocal agreements, development or funding agreements, and related documents; attending and supporting board and committee meetings; coordinating with other counsel, auditors, consultants, and state or local compliance offices; advising on required trainings, public meeting and notice requirements, conflicts, ethics, and records obligations; and providing general legal oversight to support lawful operations and risk management consistent with applicable law.

2. **Agreements and Documents**. Drafting, reviewing, and negotiating contracts, development agreements, interlocal agreements, easements, and other documents related to the above services.

Services not expressly described above, or that materially expand the scope or nature of representation, will be undertaken only upon Client's request and the Firm's agreement in writing.

Kane Springs Improvement District Board of Trustees

RESOLUTION NO. 2026-07

August 7, 2026

A RESOLUTION REPEALING AND REPLACING RESOLUTION NO. 2023-02, APPROVING AN INFRASTRUCTURE AND EQUIPMENT FINANCING AND ADMINISTRATION FUNDING AND REIMBURSEMENT AGREEMENT, AND APPROVING AND RATIFYING A NOTE FOR 2026 FISCAL YEAR TRANSACTIONS.

WHEREAS, the Kane Springs Improvement District (the "**District**") is a political subdivision of the State of Utah, duly organized and existing under the laws of the State of Utah; and

WHEREAS, the Board of Trustees of the District (the "**Board**") previously adopted Resolution No. 2023-02 concerning the District's initial capital transactions, specifically authorizing and limiting negotiations for capital transactions to the property owners; and

WHEREAS, the Board desires to repeal and replace Resolution No. 2023-02 and to approve the current documents and authorizations relating to the District's initial capital transactions; and

WHEREAS, an Infrastructure and Equipment Financing & Administration Funding and Reimbursement Agreement has been presented to the Board for review and approval; and

WHEREAS, a Secured Limited-Obligation Note (the "**Note**") relating to the District's Fiscal Year ending June 30, 2026 transactions has been presented to the Board for approval, confirming the amounts actually received for the purpose of funding and financing wastewater equipment purchased, or payments made towards purchase, during Fiscal Year ending June 30, 2026, and confirming such Note is limited to payment from the District's annual appropriation limitations, and that the entire amount of the Note and underlying transactions were within the final budget allotments for Fiscal Year ending June 30, 2026, and the Board finds that the Note does not create duplicate or overlapping obligations for the District; and

WHEREAS, § 17B-1-313, Utah Code, authorizes the Board of Trustees, after adopting a resolution or taking action on behalf of the District, to provide for publication of a notice of the resolution or action, thereby establishing a 30-day period after which the regularity, formality, and legality of the resolution or action may not be contested, and the Board desires to invoke § 17B-1-313 with respect to this Resolution in order to establish the finality of the actions taken herein; and

WHEREAS, the Board finds that the transactions and actions approved and ratified by this Resolution are in the best interests of the District and represent economically reasonable terms.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Kane Springs Improvement District, as follows:

1. <u>Repeal and Replacement of Resolution No. 2023-02</u>. Resolution No. 2023-02 is hereby repealed and replaced in its entirety by this Resolution.

2. Approval of Infrastructure and Equipment Financing & Administration Funding and Reimbursement Agreement. The Board hereby approves the Infrastructure and Equipment Financing & Administration Funding and Reimbursement Agreement in substantially the form attached hereto as **Exhibit A** and authorizes the Chair to execute and deliver the agreement on behalf of the District.

3. Approval of Note. The Board hereby approves and ratifies the Note for the District's 2026 fiscal year transactions in substantially the form attached hereto as **Exhibit B**, together with all actions previously taken in connection with the Note, and authorizes the Chair to execute and deliver the Note on behalf of the District, if required.

4. Publication; Contest Period. Posting of this Resolution as a class A notice under § 63G-30-102, Utah Code, for at least 30 days constitutes notice under Utah Code § 17B-1-313(2)(a). The Notice shall set forth the language of this Resolution and shall state that (a) any person in interest may, within 30 days after the date of publication, file an action in a court with jurisdiction under Title 78A, Utah Code, to contest the regularity, formality, or legality of this Resolution, and (b) after that 30-day period no person may contest the regularity, formality, or legality of this Resolution for any cause.

5. Severability. If a court of competent jurisdiction determines that any part of this ordinance is unconstitutional or invalid, then such portion of this resolution, or specific application of this resolution, shall be severed from the remainder, which shall continue in full force and effect.

6. Authorization for Corrections and Implementation. The Chair, District Clerk/Secretary, District Counsel, and other District representatives are authorized to make any non-substantive corrections and conforming changes to the documents approved by this Resolution and to take all actions necessary to implement the transactions and actions approved and ratified herein.

7. Effective Date. This Resolution is effective upon adoption.

PASSED, APPROVED, and MADE EFFECTIVE this: August 7, 2026.

KANE SPRINGS IMPROVEMENT
DISTRICT

By: ________________________________
Craig Weston, Chair

ATTEST

____
Clerk/Secretary

VOTING:

Craig Weston, Chair of the Board voting _______
Trent Arnold, Trustee voting _______
Tom Gottlieb, Trustee voting _______

EXHIBIT A

Administration Funding and Reimbursement & Infrastructure and Equipment Financing Agreement

EXHIBIT B

Note for 2026 Fiscal Year Transactions

INFRASTRUCTURE AND EQUIPMENT FINANCING & ADMINISTRATIVE FUNDING AND REIMBURSEMENT AGREEMENT

This INFRASTRUCTURE AND EQUIPMENT FINANCING & ADMINISTRATIVE FUNDING AND REIMBURSEMENT AGREEMENT (the "**Agreement**") is made and entered into as of the 7th day of August, 2026, by and between KANE SPRINGS IMPROVEMENT DISTRICT, a political subdivision and body corporate and politic of the State of Utah (the "**District**" or "**KSID**"), and Kane Creek Preservation and Development LLC, a Delaware limited liability company (the "**Developer**"). The District and the Developer are collectively referred to herein as the "**Parties**."

RECITALS

WHEREAS, the District was duly created and certified as a political subdivision and body corporate and politic of the State of Utah pursuant to Utah Code Title 17B, including Chapter 1 and Chapter 2a, Part 4, Improvement District Act (collectively, the "**Code**"), with the powers conferred upon an improvement district under the Code and the District's organizing documents; and

WHEREAS, the District has incurred and will incur costs (the "**Costs**") in furtherance of the District's lawful purposes and authorized services, including costs of administration, infrastructure, and equipment as provided in this Agreement; and

WHEREAS, the District does not presently have financial resources to provide funding for payment of Costs that are projected to be incurred prior to the anticipated availability of funds; and

WHEREAS, the Developer is willing to loan funds to the District, from time to time, on the condition that the District agrees to repay such loans in accordance with the terms set forth in this Agreement; and

WHEREAS, the District is willing to execute one or more reimbursement notes, bonds, or other instruments ("**Reimbursement Obligations**"), to be issued to or at the direction of the Developer upon its request, subject to the terms and conditions hereof, to further evidence the District's obligation to repay the funds loaned hereunder; and

WHEREAS, the District anticipates repaying, crediting the account of, offsetting exactions and improvement requirements, and/or otherwise compensating moneys advanced by the Developer hereunder, including as evidenced by any requested Reimbursement Obligations, with the proceeds of future bonds, ad valorem taxes, or other legal and available revenues, as applicable, of the District; and

WHEREAS, a Secured Limited-Obligation Note (the "**Note**") (a copy of the Note is attached hereto and incorporated as "**Attachment 1**") relating to the District's Fiscal Year ending June 30, 2026 transactions (the "**2026 Transactions**") has been presented to the District Board for approval, confirming the amounts actually received for the purpose of funding and financing wastewater equipment purchased, or payments made towards purchase, during Fiscal Year ending June 30, 2026, and confirming such Note is limited to payment from the District's annual appropriation limitations, and that the entire amount of the Note and underlying transactions were within the final budget allotments for Fiscal Year ending June 30, 2026, and the District Board found that the Note does not create duplicate or overlapping obligations for the District; and

WHEREAS, the 2026 Transactions are specifically: on October 3, 2025, the District received from the Developer a principal amount of $934,085.11 and on November 5, 2025, a principal amount of $366,000.00 for wastewater treatment equipment, or payment towards such equipment, under the Cloacina sole source vendor procurement approved by the District Board in October, 2025, and for which the District made payments directly to Cloacina, and the Parties desire to acknowledge, approve, authorize, and confirm those 2026 Transactions as authorized obligations within the funding and reimbursement framework of this Agreement and the Note; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the purpose of consolidating all understandings and commitments between them relating to the funding and repayment of the Costs; and

WHEREAS, the District Board of Trustees (the “**Board**”) has determined that the best interests of the District and its property owners will be served by entering into this Agreement for the funding and reimbursement of the Costs; and

WHEREAS, the Board has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

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

COVENANTS AND AGREEMENTS

1. LOAN AMOUNTS AND TERM.

The Developer agrees to loan to the District, from time to time and subject to the terms of this Agreement, (a) amounts for Administrative Costs, subject to the annual limitation stated in Section 3, and (b) amounts for Infrastructure and Equipment Costs, for which there is no aggregate or annual monetary cap under this Agreement, as stated in Section 4 (collectively, the “**Advances**”). The Advances shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2035 (as the same may be amended pursuant to any subsequent review evidenced by a supplement or amendment hereto, the “**Loan Obligation Termination Date**”). Thereafter, the Developer may agree to renew its obligations hereunder by providing written notice thereof to the District, in which case the Loan Obligation Termination Date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year.

Notwithstanding the foregoing, the Developer is not obligated to approve any specific requests by the District for Advances. This Agreement identifies and lays out the rights and responsibilities relate to any approved Advances.

2. PRIORITY RELATIVE TO OTHER DISTRICT OBLIGATIONS.

The Developer agrees that any Reimbursement Obligations of the District hereunder, including the Notes described in Section 5, shall be issued and held on a basis that is junior and subordinate to all other then-outstanding obligations of the District, including but not limited to any bonds previously issued by the District. Developer acknowledges that all payments made under this Agreement, or authorized notes (include the Note attached as Attachment 1) are subject to the

3. USE OF FUNDS-ADMINISTRATIVE COSTS.

The District may apply funds loaned by the Developer under this Section 3 solely to administrative costs directly related to operating the District (“**Administrative Costs**”), as set forth from time to time in the District’s adopted annual budget and pursuant to any contracts entered into with third parties to perform functions for the District under that budget. Administrative Costs include, without duplication, all legal, staffing, accounting, engineering and other professional services, regulatory and statutory compliance, records administration, public-notice and meeting costs, audit costs, insurance premiums and related risk-management costs, and other tasks and expenses directly related to the District’s administration and operations.

The aggregate amount of Advances applied to Administrative Costs may not exceed Fifty Thousand Dollars ($50,000) in any calendar year. The $50,000 annual cap includes all tasks and expenses described in the preceding paragraph and may not be avoided by dividing, recharacterizing, or deferring an Administrative Cost. Administrative Costs do not include Infrastructure and Equipment Costs governed by Section 4, and amounts advanced or reimbursed under Sections 4 and 5 do not count against the $50,000 annual cap.

It is understood that the District has budgeted or will budget as revenue from year to year the amounts anticipated to be borrowed hereunder to enable the District to appropriate revenues to pay the Costs included within the District's annual budget. The Developer shall be entitled to a quarterly accounting of expenditures made by the District, upon request, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District. Furthermore, direct payments by Developer may not be budgeted until a demand upon the District for repayment is received and process.

4. INFRASTRUCTURE AND EQUIPMENT FINANCING.

Separate and distinct from Administrative Costs under Section 3, the District may request and use Advances to finance or reimburse costs of planning, designing, engineering, permitting, acquiring, constructing, installing, improving, expanding, repairing, replacing, operating, or maintaining infrastructure that serves a lawful District purpose, and to acquire, lease, finance, install, repair, replace, or maintain vehicles, machinery, systems, technology, furnishings, and other equipment used for a lawful District purpose (collectively, "**Infrastructure and Equipment Costs**").

There is no aggregate, annual, or project-specific monetary cap under this Agreement on Advances for Infrastructure and Equipment Costs. The absence of a contractual monetary cap does not dispense with any Board approval, budget, procurement, public-finance, debt, security, notice, hearing, or other requirement imposed by applicable law, the District's organizing documents, or any then-outstanding obligation of the District. Each Advance remains subject to lawful authorization, inclusion in an adopted budget or lawful budget amendment, and annual appropriation to the extent required by this Agreement or applicable law.

5. CONCURRENTLY APPROVED NOTE.

The Parties hereby acknowledge, approve, ratify, and confirm the Note described above and attached as Attachment 1 hereto as valid and authorized Reimbursement Obligations within the funding and reimbursement framework of this Agreement.

The Note is deemed an Advance for Infrastructure and Equipment Costs under Section 4 and does not count against the annual cap on Administrative Costs in Section 3. This acknowledgment does not create a duplicate advance or increase the original principal amount of the Note. The principal, interest, maturity, payment, prepayment, and other terms stated in the Note remain in effect. If an irreconcilable conflict exists between the Note and this Agreement, the Note controls with respect to its economic and repayment terms; provided, however, that this Agreement controls with respect to classification of the obligation, annual appropriation, subordination under Section 2, and the limitations stated in Section 11.

6. MANNER FOR REQUESTING ADVANCES.

The District shall from time to time determine the amount of revenue required to fund budgeted expenditures by the District, but such determination shall be made not more often than monthly. Each determination shall be made based upon the expenditures contained in the adopted budget for the District and upon the rate of expenditures estimated for the next succeeding month and such other factors as the Board may consider relevant to the projection of future financial needs. Not less than fifteen (15) days before the beginning of each month, the District shall notify the Developer of the requested Advance for the next month, and the Developer shall deposit such Advance on or before the beginning of that month. The Parties may vary from this schedule upon mutual agreement.

Upon receipt of Advances hereunder, the District shall keep a record of such Advances made. Failure to record such Advances shall not affect inclusion of such amounts as reimbursable amounts hereunder; provided that such Advances are substantiated by the District's accountant. The Developer may provide any relevant documentation evidencing such unrecorded Advance to assist in the District's final determination.

In the alternative, the Developer may, at its sole risk, directly pay Administrative Costs on behalf of the District and thereafter submit a written request for reimbursement, together with reasonable supporting documentation. The District may approve or deny any reimbursement request in its discretion. No direct payment by the Developer shall constitute an Advance or create any debt, liability, reimbursement obligation, or accrual of interest unless and until the District approves the reimbursement request in writing. Upon approval, the approved amount shall be treated as an Advance under this Agreement and classified as an Administrative Cost or an Infrastructure and Equipment Cost, as applicable. Nothing in this Section or this Agreement may be deemed to foreclose dedication or exactions related to improvements, equipment, or real or personal property required for the District to provide services.

7. OBLIGATIONS IRREVOCABLE.

The obligations of the Developer created by this Agreement are absolute, irrevocable, unconditional, and are not subject to setoff or counterclaim, except as agreed by the District.

The Developer may not take any action which would delay or impair the District's ability to receive the funds contemplated herein with sufficient time to properly pay approved invoices or notices of payment due.

8. INTEREST PRIOR TO ISSUANCE OF REIMBURSEMENT OBLIGATIONS.

With respect to each Advance made under this Agreement prior to the issuance of any Reimbursement Obligation reflecting such Advance, the interest rate shall be six percent (6%) per annum, from the date any such Advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such Advance or the date of repayment of such amount. Upon issuance of any such Reimbursement Obligation, unless otherwise consented to by the Developer, any interest then accrued on any previously advanced amount shall be added to the amount of the Advance and reflected as principal of the Reimbursement Obligation, and shall thereafter accrue interest as provided in such Reimbursement Obligation. This Section 8 does not alter interest accrued or accruing under the Note, which is governed by that Note.

9. TERMS OF REPAYMENT; SOURCE OF REVENUES.

Any funds advanced hereunder shall be repaid in accordance with the terms of this Agreement. The District intends to repay any Advances made under this Agreement from ad valorem taxes and other legally available revenues of the District, net of any debt service costs of the District, and provided that such payment is allowed under any bond indenture applicable to the District. Any property tax levy certified by the District for the purpose of repaying Advances made hereunder shall be subject to all applicable laws.

The provision for repayment of Advances made hereunder shall be at all times subject to annual appropriation by the District.

At such time as the District issues a Reimbursement Obligation to evidence an obligation to repay Advances made under this Agreement, the repayment terms of such Reimbursement Obligation shall control and supersede any otherwise applicable provision of this Agreement, except for the Maximum Reimbursement Obligation Repayment Term defined below and the express treatment of the Note in Section 5.

10. ISSUANCE OF REIMBURSEMENT OBLIGATIONS.

Subject to the conditions of this Section 10 and Section 11 hereof, upon request of the Developer, the District hereby agrees to issue to or at the direction of the Developer one or more Reimbursement Obligations to evidence any repayment obligation of the District then existing with respect to Advances made under this Agreement. Such Reimbursement Obligations shall be payable solely from the sources identified in the Reimbursement Obligations, including, but not limited to, ad valorem property tax revenues of the District, and shall be secured by the District's pledge to apply such revenues as required hereunder, unless otherwise consented to by the Developer. Such Reimbursement Obligations shall mature on a date or dates, subject to the limitation set forth in the Maximum Reimbursement Obligation Repayment Term defined herein, and bear interest at a market rate to be determined at the time of issuance of such Reimbursement Obligations. The District shall be permitted to prepay any Reimbursement Obligation, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayment on the principal amount prepaid. The District and the Developer shall negotiate in good faith the final terms and conditions of the Reimbursement Obligations.

Except for the Note, whose maturity terms remain as stated in those notes, the term for repayment of any Reimbursement Obligation issued under this Agreement may not extend beyond six (6) years from the date of this Agreement ("**Maximum Reimbursement Obligation Repayment Term**").

The terms of this Agreement may be used to construe the intent of the District and the Developer in connection with issuance of any Reimbursement Obligations, and shall be read as nearly as possible to make the provisions of any Reimbursement Obligations and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Reimbursement Obligation, the terms of such Reimbursement Obligation shall prevail, subject to the express limitations stated in Section 5 with respect to the Note.

If, for any reason, any Reimbursement Obligation is determined to be invalid or unenforceable, the District shall, to the extent permitted by applicable law and subject to required authorization and annual appropriation, issue a new Reimbursement Obligation to the Developer that is legally enforceable, subject to the provisions of this Section 10.

In the event that it is determined that payments of all or any portion of interest on any Reimbursement Obligation may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees, upon request of the Developer, to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

11. NO DEBT.

It is hereby agreed and acknowledged that this Agreement evidences the District's intent to repay the Developer for Advances made hereunder in accordance with the terms hereof. However, except to the extent a duly authorized Reimbursement Obligation expressly provides otherwise in compliance with applicable law, this Agreement shall not constitute a debt or indebtedness by the District within the meaning of any constitutional or statutory provision, nor may it constitute a multiple-fiscal-year financial obligation. Further, the provision for repayment of Advances made hereunder, as set forth in Section 9 hereof, and the agreement to issue a Reimbursement Obligation as set forth in Section 10 hereof, shall be at all times subject to annual appropriation by the District, in its absolute discretion.

12. TERMINATION.

The Developer's obligations to advance funds to the District in accordance with this Agreement shall terminate on the Loan Obligation Termination Date, except to the extent Advance requests have been made to the Developer that are pending on that date, in which case those pending requests will be honored notwithstanding the passage of the Loan Obligation Termination Date.

The District's obligations hereunder shall terminate at the earlier of (a) repayment in full of all Advances and Reimbursement Obligations, including the Note, together with all interest and other amounts due thereunder, if the District determines that no further Advances will be required hereunder, or (b) thirty (30) years from the execution date hereof. After thirty (30) years from the execution of this Agreement, the Parties hereby agree and acknowledge that any obligation created by this Agreement which remains due and outstanding under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted, and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts.

13. TIME IS OF THE ESSENCE.

Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a weekend or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

14. NOTICES AND PLACE FOR PAYMENTS.

All notices, demands, and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent by: (a) first class, registered, or certified mail, postage prepaid, return receipt requested; (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either Party may designate by notice pursuant to this Section 14; or (c) confirmed PDF or email transmission. Notices shall be deemed given one business day after delivery to the overnight carrier, three (3) days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

District:	KANE SPRINGS IMPROVEMENT DISTRICT c/o Jay L. Springer, Esq. Meridian Land Counsel, PLLC 50 West Broadway, Ste. 300 Salt Lake City, Utah 84101 jay@meridianland.law
Developer:	Kane Creek Preservation and Development LLC 10446 N. Iverson Ln. Highland, UT 84003

15. AMENDMENTS.

This Agreement may only be amended or modified by a writing executed by both the District and the Developer.

16. SEVERABILITY.

If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

17. APPLICABLE LAWS.

This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Utah, without regard to conflict-of-law principles that would result in the application of any law other than the law of the State of Utah. Venue for all actions arising from this Agreement shall be in the district court in and for the county in which the District is located.

18. ASSIGNMENT.

This Agreement may not be assigned by the District or the Developer, and any attempt to assign this Agreement in violation hereof shall be null and void.

19. AUTHORITY.

By execution hereof, the District and the Developer represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective Party to the terms hereof.

20. ENTIRE AGREEMENT.

This Agreement, together with the Note, constitutes and represents the entire integrated agreement between the District and the Developer with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to those matters, whether written or oral; provided that the Note remain in effect as expressly stated in Section 5. This Agreement shall become effective upon the date of full execution hereof.

21. LEGAL EXISTENCE.

The District will maintain its legal identity and existence so long as any of the Advances or Reimbursement Obligations contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of the District hereunder without materially adversely affecting the Developer's privileges and rights under this Agreement.

22. GOVERNMENTAL IMMUNITY.

Nothing herein shall be construed as a waiver of the rights and privileges of the District pursuant to the Governmental Immunity Act of Utah, Title 63G, Chapter 7, Utah Code, as amended.

23. NEGOTIATED PROVISIONS.

This Agreement may not be construed more strictly against one Party than against another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

24. LEGAL COUNSEL.

The District's general counsel, Meridian Land Counsel, PLLC ("**MLC**"), has drafted this Agreement in connection with the District's anticipated need for operating and capital funding. The Developer and the District acknowledge that they are aware that Jay Springer, principal attorney at MLC, has represented Developer in other matters and that this Agreement has been prepared by MLC on behalf of the District. Each of the District and the Developer, having been advised thereof, by signing this Agreement gives its informed and express written consent to MLC's preparation of this Agreement on the District's behalf and waives any conflict that may arise or exist as a result. By executing this Agreement, the Developer acknowledges that it has been advised to obtain independent legal counsel to advise it with respect to this Agreement and its legal effect, and also acknowledges that it has had ample opportunity to seek independent legal counsel and waives the right to do so if executing this Agreement before obtaining such counsel.

25. COUNTERPART EXECUTION.

This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by email as a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto.

[Remainder of Page Intentionally Left Blank. Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize that representative to execute this Agreement.

DISTRICT:

KANE SPRINGS IMPROVEMENT DISTRICT, a political subdivision and body corporate and politic of the State of Utah

By: ________________________________

Its: Chair, Board of Trustees

ATTEST:

____

District Clerk

DEVELOPER:

Kane Creek Preservation and Development LLC, a Delaware limited liability company

By: Trent Arnold

Its: Manager

Signature Page to Administrative Funding and Reimbursement Agreement
Kane Springs Improvement District / Kane Creek Preservation and Development LLC

EXHIBIT B

Note for 2026 Fiscal Year Transactions

SECURED LIMITED-OBLIGATION PROMISSORY NOTE
DATED THIS AUGUST 7, 2026

TRANSFERS OCCURRED AS FOLLOWS:

US$[934,085.11]	October 3, 2025
US$[366,000.00]	November 5, 2025

FOR VALUE RECEIVED, KANE SPRINGS IMPROVEMENT DISTRICT, a Utah Limited Purpose Local Government Entity ("**Maker**"), promises to pay to Kane Creek Preservation ("**Holder**") at 10466 Iverson Lane, Highland, UT, 84003, USA, or such other place as Holder may from time to time designate, in United States dollars, the principal sum of One Million Three Hundred Thousand Eighty-five Dollars and Eleven Cents (**$1,300,085.11**), as set forth below.

1. Interest. This Secured Limited-Obligation Promissory Note (the "**Note**") shall be interest bearing at 3% compounded annually, and beginning to accrue on January 1, 2027.

2. Payments. The entire principal sum and accrued interest and any other sums payable hereunder shall be paid by Maker. Payments shall be made at least annually in an amount not less than **$30,000, provided that such amounts are available from the Maker's annual and legal appropriations** with the no payment being due until the fiscal year ending June 30, 2028 until the entire amount is paid.

3. Prepayment. This Note may be prepaid in whole or in part at any time without premium or penalty.

4. Application of Payments. All payments received by Holder shall be applied first to any charges other than the unpaid principal balance, due with respect to this Note or any other document executed by Maker in connection therewith, and then to the unpaid principal balance.

5. Security; Default and Remedies.

(a) Security. This Note is secured only by the equipment purchased by the Maker using the proceeds identified herein as documented in Maker's public meetings, in a junior position to all other obligations of Maker and against the equipment.

(b) Default. Maker will be in default under this Note if (i) Maker fails to make a payment of principal hereunder when due, or (ii) Maker breaches any other covenant or agreement under this Note.

(c) Remedies. Upon the occurrence of any default under this Note, Holder shall have the option to: (a) declare the entire unpaid principal balance of this Note, together with all other indebtedness of Maker to Holder arising in connection with this Note, to be immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor or any other notices or demands, which notice is expressly waived by

Maker; and (b) exercise any other right or remedy provided by contract or applicable law, **including to foreclose upon and reclaim the equipment purchased with the proceeds of this Note**. Holder's rights, remedies and powers, as provided in this Note are cumulative and concurrent, and may be pursued singly, successively or together against Maker, and any security given at any time to secure the payment hereof, whether real or personal property, all at the sole discretion of Holder. Additionally, Holder may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Holder's sole discretion. Failure of Holder, for any period of time or on more than one occasion, to exercise its option to accelerate the Maturity Date shall not constitute a waiver of the right to exercise the same at any time during the continued existence of any default or any subsequent default.

6. Waivers. Maker, and any endorsers or guarantors hereof, severally waive diligence, presentment, protest and demand and also notice of protest, demand, dishonor, acceleration, intent to accelerate, and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time without notice, and consent to the acceptance of further security or the release of any security for this Note, all without in any way affecting the liability of Maker or any endorsers or guarantors hereof. No extension of time for the payment of this Note, or any installment hereof, agreed to by Holder with any person now or hereafter liable for the payment of this Note, shall affect the original liability of Maker under this Note, even if Maker is not a party to such agreement.

7. Maximum Legal Rate of Interest. All agreements between Maker and Holder, whether now existing or hereafter arising, are hereby limited so that in no event shall the interest charged hereunder or agreed to be paid to Holder exceed the maximum amount permissible under applicable law. Holder shall be entitled to amortize, prorate and spread throughout the full term of this Note all interest paid or payable so that the interest paid does not exceed the maximum amount permitted by law. If Holder ever receives interest or anything deemed interest in excess of the maximum lawful amount, an amount equal to the excessive interest shall be applied to the reduction of the principal, and if it exceeds the unpaid balance of principal hereof, such excess shall be refunded to Maker. If interest otherwise payable to Holder would exceed the maximum lawful amount, the interest payable shall be reduced to the maximum amount permitted under applicable law. This paragraph shall control all agreements between Maker and Holder in connection with the indebtedness evidenced hereby.

8. Miscellaneous.

(a) Maker shall pay all costs, including, without limitation, reasonable attorneys' fees incurred by Holder in collecting the sums due hereunder or in connection with the release of any security for this Note.

(b) This Note may be modified only by a written agreement executed by Maker and Holder.

(c) The terms of this Note shall inure to the benefit of and bind Maker and Holder and their respective heirs, legal representatives and successors and assigns.

(d) Time is of the essence with respect to all matters set forth in this Note.

(e) If this Note is destroyed, lost or stolen, Maker will deliver a new note to Holder on the same terms and conditions as this Note with a notation of the unpaid principal and accrued and unpaid interest in substitution of the prior Note. Holder shall furnish to Maker reasonable evidence that the Note was destroyed, lost or stolen and any security or indemnity that may be reasonably required by Maker in connection with the replacement of this Note.

(f) If any section or provision of this Note is declared invalid or unenforceable by any court of competent jurisdiction, said determination shall not affect the validity or enforceability of the remaining terms hereof. No such determination in one jurisdiction shall affect any provision of this Note to the extent it is otherwise enforceable under the laws of any other applicable jurisdiction.

(g) This Note constitutes the entire agreement and understanding of Maker in respect of the subject matter of such agreement and superseded all prior agreements and understandings with respect to such subject matter, whether oral or written.

(h) Counterparts. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original and all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, Maker has executed this Note as of the date and year first above written.

MAKER: KANE SPRINGS IMPROVEMENT DISTRICT

____
______________, Board Member

HOLDER: KANE CREEK PRESERVATION AND DEVELOPMENT, a Delaware limited liability company

By: ____________________________
Name:__________________________
Its:_____________________________

Kane Springs Improvement District Board of Trustees

RESOLUTION NO. 2026-08

August 7, 2026

A RESOLUTION CLARIFYING THE DISTRICT'S ANNUAL MEETING SCHEDULE AND RATIFYING ACTIONS TAKEN AT BOARD MEETINGS HELD ON SEPTEMBER 7, 2023, FEBRUARY 23, 2024, MAY 16, 2024, AND MAY 23, 2024.

WHEREAS, the Kane Springs Improvement District (the "**District**") is a political subdivision of the State of Utah, duly organized and existing under the laws of the State of Utah; and

WHEREAS, the Board of Trustees of the District (the "**Board**") has previously taken action concerning an annual meeting schedule and now desires to amend and clarify the District's meeting-scheduling practice; and

WHEREAS, the Board held meetings on September 7, 2023, February 23, 2024, May 16, 2024, and May 23, 2024, at which the Board considered and acted upon matters concerning the District; and

WHEREAS, during a review of the District's records in preparation for an audit, the District identified clerical errors concerning certain meeting dates and gaps in the administrative record, primarily in missing uploaded audio recordings, for those meetings; and

WHEREAS, the Board now desires to correct and clarify the District's administrative record and to confirm and ratify the actions described in this Resolution; and

WHEREAS, § 17B-1-313, Utah Code, authorizes the Board of Trustees, after adopting a resolution or taking action on behalf of the District, to provide for publication of a notice of the resolution or action, thereby establishing a 30-day period after which the regularity, formality, and legality of the resolution or action may not be contested, and the Board desires to invoke § 17B-1-313 with respect to this Resolution in order to establish the finality of the actions taken herein; and

WHEREAS, the Board finds that the clarifications and ratifications set forth in this Resolution are in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Kane Springs Improvement District, as follows:

1. Annual Meeting Schedule Amendment and Clarification. The Board hereby amends and clarifies any prior action concerning an annual meeting schedule. The District will not maintain a standing annual meeting schedule. Board meetings will be scheduled as needed and noticed in accordance with applicable law.

2. Ratification of Actions Taken on September 7, 2023. This meeting was held electronically with a public meeting link. The Board approves, confirms, and ratifies the following actions taken at that meeting, as reflected in the approved minutes:

   - Approval of the minutes of the June 14, 2023 Board meeting.
   - Approval to pursue conditional use permit actions.

- Additionally, the Board corrects references identifying this meeting as occurring on September 5, 2023, and confirms that the correct meeting date was September 7, 2023.

3. Ratification of Actions Taken on February 23, 2024. This meeting was held electronically with a public meeting link. The Board approves, confirms, and ratifies the following actions taken at the February 23, 2024 electronic meeting, as reflected in the approved minutes:

   - Selection and appointment of Board and officer positions.
     - Gottlieb as Clerk, Weston as President, and Arnold as Treasurer.
   - Approval of the minutes of the September 7, 2023 Board meeting.
   - Completion or confirmation of required annual training.
   - Adoption of the 2024 meeting schedule.

4. Ratification of Actions Taken on May 16, 2024. This meeting was held electronically with a public meeting link, a public hearing, with public participating. The Board approves, confirms, and ratifies the following actions taken at the May 16, 2024 electronic meeting, as reflected in the approved minutes:

   - Approval of the minutes of the February 23, 2024 Board meeting.
   - Approval of the 2024 tentative budget.
   - Scheduling of the public hearing on the 2024 budget.

5. Ratification of Actions Taken on May 23, 2024. This meeting was held electronically with a public meeting link. The Board approves, confirms, and ratifies the following actions taken at the May 23, 2024 electronic meeting and public hearing, with members of the public present, as reflected in the approved minutes:

   - Approval of the minutes of the May 16, 2024 Board meeting.
   - Conducting the public hearing on the 2024 budget.
   - Approval of the 2024 budget.

6. Administrative Record Clarification and Implementation. The District's records shall be corrected and clarified to reflect the meeting dates and actions confirmed and ratified by this Resolution. The Chair, District Clerk/Secretary, District Counsel, and other District representatives are authorized to make any non-substantive corrections and conforming changes and to take all actions necessary to implement this Resolution.

7. Publication; Contest Period. Posting of this Resolution as a class A notice under § 63G-30-102, Utah Code, for at least 30 days constitutes notice under Utah Code § 17B-1-313(2)(a). The Notice shall set forth the language of this Resolution and shall state that (a) any person in interest may, within 30 days after the date of publication, file an action in a court with jurisdiction under Title 78A, Utah Code, to contest the regularity, formality, or legality of this Resolution, and (b) after that 30-day period no person may contest the regularity, formality, or legality of this Resolution for any cause.

8. Severability: If a court of competent jurisdiction determines that any part of this ordinance is unconstitutional or invalid, then such portion of this resolution, or specific application of this resolution, shall be severed from the remainder, which shall continue in full force and effect.

9. Effective Date. This Resolution is effective upon adoption.

PASSED, APPROVED, and MADE EFFECTIVE this: August 7, 2026.

KANE SPRINGS IMPROVEMENT
DISTRICT

By: ________________________________
Craig Weston, Chair

ATTEST

____
Clerk/Secretary

VOTING:

Craig Weston, Chair of the Board voting _______
Trent Arnold, Trustee voting _______
Tom Gottlieb, Trustee voting _______