MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-2
JOINT SPECIAL MEETING
Monday, August 17, 2026, at 10:00 a.m.
825 East 1180 South, 3rd Floor, American Fork, UT 84003

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

https://us06web.zoom.us/j/83318882080?pwd=5OKkce4XNgz9HI1vzkJknblwgvARhk.1
Meeting ID: 833 1888 2080; Passcode: 496440; Call in Number: 720-707-2699

Trustees	Term
Dave Scoville, Chair	Term from October 21, 2024 to 4 years from appointment
*Shane Wilson, Treasurer	Term from February 5, 2025 to 4 years from appointment
Ryan Sparks, Secretary	Term from February 5, 2025 to 6 years from appointment
Vacant	Term from [date of appointment] to [4 years from appointment]
Vacant	Term from [date of appointment] to [6 years from appointment]

NOTICE OF JOINT SPECIAL MEETING AND AGENDA

1. Call to Order/Declaration of Quorum
2. Preliminary Action Items
   a. Consider Approval of Agenda
   b. Confirm Conflict of Interest Disclosures
3. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes.
4. Action Items
   a. Approve April 27, 2026 Joint Special Meeting Minutes
   b. Approve June 30, 2026 Unaudited Financial Statements
   c. Approve Claims Listing
   d. Approve 2025 Audit (District No. 1)
   e. Approve First Amendment to Governing Document
5. Administrative Non-Action Items
   a. *Reminder to Complete Annual Board Member Training – Open and Public Meetings Act - Open and Public Meetings Act Training 2026
6. Adjourn

MINUTES OF A JOINT SPECIAL MEETING

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 2
BOARD OF TRUSTEES

Monday, April 27, 2026 at 10:00 a.m.
825 East 1180 South, American Fork, UT 84003
The meeting was also held via teleconference and open to the public.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Utah. The following members were in attendance:

Dave Scoville, Chair

Shane Wilson, Treasurer

Ryan Sparks, Secretary

Also present: Megan J. Murphy, Esq., WBA, PC, Attorneys at Law, Districts' General Counsel; and Lauren Warburton, CliftonLarsonAllen LLP, District Accountant.

Call to Order/Declaration of Quorum

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

Preliminary Action Items

Consider Approval of Meeting Agenda

The Boards reviewed the proposed agenda for the meeting. Following discussion, upon a motion duly made by Mr. Scoville and seconded by Mr. Wilson, the Boards unanimously approved the agenda as amended.

Conflict of Interest Disclosures

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

Public Comment

No members of the public were in attendance.

Action Items

Approve January 16, 2026 Joint Regular Meeting Minutes

Ms. Murphy presented minutes from the January 16, 2026 Regular Meeting to the Boards for consideration. Following review, upon a motion duly made by Mr. Scoville, seconded by Mr. Wilson, and upon a vote unanimously carried, the Boards approved the minutes from the January 16, 2026 Regular Meeting.

<u>Approval of March 31, 2026 Unaudited Financial Statements</u>

Ms. Warburton presented the March 31,2026 Unaudited Financial Statements to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Wilson, seconded by Mr. Scoville, and upon a vote unanimously carried, the Boards unanimously approved the March 31, 2026 Unaudited Financial Statements.

<u>Approval of Claims Listing</u>

Ms. Warburton presented the claims listing dated March 31, 2026 to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Scoville, seconded by Mr. Wilson, and upon a vote unanimously carried, the Boards unanimously approved the March 31, 2026 claims listing.

<u>Adoption of Joint Resolution Identifying Anchor Location for Meetings</u>

Ms. Murphy presented the joint resolution identifying an anchor location for meetings to the Boards for consideration. Following discussion, upon a motion duly made by Mr. Wilson, seconded by Mr. Scoville, and upon a vote unanimously carried, the Boards unanimously adopted the resolution.

<u>Discuss and Authorize Legal Counsel to bind general liability and crime insurance, as required under Utah law, through the Utah Local Governments Trust (District No. 2)</u>

Ms. Murphy presented the general liability and crime insurance schedule and limits to the Board of District No. 2. Following discussion, upon a motion duly made by Mr. Wilson, seconded by Mr. Scoville, the Board of District No. 2 unanimously approved the general liability and crime insurance schedule and authorized legal counsel to bind coverage.

<u>Approve Proposal for 2025 Audit Services (District No. 1)</u>

Ms. Warburton presented the proposal from Haynie & Company for 2025 audit services to the Board of District No. 1 for consideration. Following discussion, upon a motion duly made by Mr. Scoville, seconded by Mr. Wilson, and upon a vote unanimously carried, the Board of District No. 1 unanimously approved of the proposal for 2025 audit service from Haynie & Company.

<u>Administrative Non-Action Items</u>

<u>Reminder to Complete Annual Board Member Training – Open and Public Meetings Act - Open and Public Meetings Act Training 2026</u>

Ms. Murphy reminded the Trustees of the required annual training and to send their completion certificates to WBA, PC. No action was taken.

Discuss the Districts' Bank Accounts

Ms. Warburton engaged in a discussion regarding establishing the Districts' Bank Accounts, noting she recommends using of Zions Bank and Bill.com, and designating the Trustees as signers to the accounts. No action was taken.

Adjourn

There being no further business to come before the Boards and upon a motion duly made by Mr. Sparks, seconded by Mr. Scoville, and unanimously carried, the meeting was adjourned.

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

____
Ryan Sparks
District Clerk/Secretary

The foregoing minutes were approved on the 17th day of August, 2026.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1

FINANCIAL STATEMENTS

JUNE 30, 2026

Moonlight Village Public Infrastructure District No. 1
Balance Sheet - Governmental Funds
June 30, 2026

	General	Debt Service	Capital Projects	Total
Assets				
UMB Senior Bond Fund 2025A	$ -	$ 909,258.31	$ -	$ 909,258.31
UMB Surplus Fund 2025A	-	727,211.75	-	727,211.75
UMB Senior Project Fund 2025A	-	-	2,404.71	2,404.71
UMB Subordinate Project Fund 2025B	-	-	464.75	464.75
UMB Pledged Revenue Fund 2025A	-	36,245.14	-	36,245.14
UMB Working Capital Fund 2025A	3.12	-	-	3.12
Receivable from County Treasurer	-	23,153.86	-	23,153.86
Total Assets	$ 3.12	$ 1,695,869.06	$ 2,869.46	$ 1,698,741.64
Liabilities				
Accounts Payable	$ 16,878.24	$ -	$ -	$ 16,878.24
Total Liabilities	16,878.24	-	-	16,878.24
Deferred Inflows of Resources				
Deferred Property Tax	-	23,153.86	-	23,153.86
Total Deferred Inflows of Resources	-	23,153.86	-	23,153.86
Fund Balances	(16,875.12)	1,672,715.20	2,869.46	1,658,709.54
Liabilities and Fund Balances	$ 3.12	$ 1,695,869.06	$ 2,869.46	$ 1,698,741.64

See selected information and the summary of significant assumptions.

Moonlight Village Public Infrastructure District No. 1
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending June 30, 2026

	Annual Budget	Actual	Variance
Revenues			
Interest Income	$ -	$ 21.84	$ (21.84)
Total Revenue	-	21.84	(21.84)
Expenditures			
Accounting	20,000.00	10,629.04	9,370.96
Auditing	9,000.00	-	9,000.00
Insurance	4,000.00	150.68	3,849.32
Legal	18,000.00	8,682.36	9,317.64
Total Expenditures	51,000.00	19,462.08	31,537.92
Other Financing Sources (Uses)			
Transfers to other fund	(7,000.00)	-	(7,000.00)
Developer advance	58,000.00	2,565.12	55,434.88
Total Other Financing Sources (Uses)	51,000.00	2,565.12	48,434.88
Net Change in Fund Balances	-	(16,875.12)	16,875.12
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ (16,875.12)	$ 16,875.12

SUPPLEMENTARY INFORMATION

Moonlight Village Public Infrastructure District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending June 30, 2026

	Annual Budget	Actual	Variance
Revenues			
Property taxes	$ -	$ 39,745.14	$ (39,745.14)
Interest Income	65,000.00	28,203.30	36,796.70
Total Revenue	65,000.00	67,948.44	(2,948.44)
Expenditures			
Paying agent fees	7,000.00	3,500.00	3,500.00
Bond Interest - Series 2025A	396,697.00	396,696.67	0.33
Total Expenditures	403,697.00	400,196.67	3,500.33
Other Financing Sources (Uses)			
Transfers from other funds	7,000.00	-	7,000.00
Total Other Financing Sources (Uses)	7,000.00	-	7,000.00
Net Change in Fund Balances	(331,697.00)	(332,248.23)	551.23
Fund Balance - Beginning	2,004,400.00	2,004,963.43	1,978,836.57
Fund Balance - Ending	$ 1,672,703.00	$ 1,672,715.20	$ 1,979,387.80

See selected information and the summary of significant assumptions.

Moonlight Village Public Infrastructure District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending June 30, 2026

	Annual Budget	Actual	Variance
Revenues			
Interest Income	$ -	$ 44.13	$ (44.13)
Total Revenue	-	44.13	(44.13)
Net Change in Fund Balances	-	44.13	(44.13)
Fund Balance - Beginning	-	2,825.33	(2,825.33)
Fund Balance - Ending	$ -	$ 2,869.46	$ (2,869.46)

See selected information and the summary of significant assumptions.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO.1
SELECTED INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2026

Notes to the Reader:

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

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

The financial forecasts present, to the best of management’s knowledge and belief, the District’s expected results of operations and cash flows for the forecast periods. Accordingly, the forecasts reflects its judgment as of November 10, 2025, the date these forecasts were prepared, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

The December 31, 2025 financial statements are subject to an audit which is in progress as of June 6, 2026. Any adjustments resulting from the audit are not included in these financial statements. Adjustments may be material.

Services Provided

On October 2, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the Moonlight Village Public Infrastructure District No. 2 (the District) in conjunction with Moonlight Village Public Infrastructure District No. 1 (District No. 1 and together the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on October 21, 2024.

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

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

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

Revenues

Developer Advance

The District is in the development stage. As such, administrative expenditures may be funded by the Developer prior to the date in which revenues become available. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.5%.

Expenditures

Administrative Expenditures

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

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2025A Bonds (discussed under Debt and Leases).

Debt and Leases

On March 20, 2025, the District issued Series 2025A Limited Tax General Obligation Bonds in the amount of $6,980,000 and Series 2024B Subordinate Limited Tax General Obligation Bonds in the amount of $896,000 (collectively, the Bonds). The Bonds are secured and payable from pledged revenues, consisting of property tax revenues, pioneering agreement revenues, and any other legally available moneys which the District determines.

The Series 2025A Bonds bear interest at 6.000% payable annually on March 1 and are subject to mandatory sinking fund redemption beginning March 1, 2032. The Bonds mature on March 1, 2056.

The Subordinate Bonds bear interest at 8.000% payable annually on March 15 to the extent of available pledged revenues. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the maturity date which is March 15, 2056.

Reserves

Debt Service Reserve

The Bonds are secured by the Capitalized Interest Series 2025A fund with an initial deposit of $1,256,400; and the 2025A Surplus Funds with initial deposits of $698,000, which were funded with proceeds of the 2025A Bonds.

This information is an integral part of the accompanying budget.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$6,980,000 Limited Tax General Obligation Bonds
Series 2025A
Dated March 20, 2025
Interest Rate - 6.000%
Interest Payable March 1
Principal Payable March 1

Year Ending December 31,	Principal	Interest	Total
2026	-	396,697	396,697
2027	-	418,800	418,800
2028	-	418,800	418,800
2029	-	418,800	418,800
2030	-	418,800	418,800
2031	-	418,800	418,800
2032	20,000	418,800	438,800
2033	30,000	417,600	447,600
2034	45,000	415,800	460,800
2035	55,000	413,100	468,100
2036	70,000	409,800	479,800
2037	80,000	405,600	485,600
2038	95,000	400,800	495,800
2039	110,000	395,100	505,100
2040	130,000	388,500	518,500
2041	145,000	380,700	525,700
2042	165,000	372,000	537,000
2043	185,000	362,100	547,100
2044	210,000	351,000	561,000
2045	235,000	338,400	573,400
2046	260,000	324,300	584,300
2047	285,000	308,700	593,700
2048	315,000	291,600	606,600
2049	345,000	272,700	617,700
2050	380,000	252,000	632,000
2051	415,000	229,200	644,200
2052	455,000	204,300	659,300
2053	495,000	177,000	672,000
2054	540,000	147,300	687,300
2055	585,000	114,900	699,900
2056	1,330,000	79,800	1,409,800
Total	$ 6,980,000	$ 10,361,797	$ 17,341,797

Moonlight Village PID No. 1

Payment Listing

April 1, 2026 - June 30, 2026

Process Date	Vendor	Description	Payment Method	Amount
4/21/2026	CliftonLarsonAllen	Accounting	Developer Advance	1,169.54
5/12/2026	CliftonLarsonAllen	Accounting	Developer Advance	1,410.33
5/14/2026	Utah Local Governments Trust	Insurance	Developer Advance	150.68
5/27/2026	CliftonLarsonAllen	Acccounting	WC Requisition	1,478.65
6/26/2026	UMB Bank	UMB Annual Fee	Wire Transfer	3,500.00
				$ 7,709.20

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

NS PUBLIC INFRASTRUCTURE DISTRICT NO. 1
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2025

INSERT INDEPENDENT AUDITOR'S REPORT

The management of Moonlight Public Infrastructure District No. 1 (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

The Management Discussion and Analysis (MD&A) focuses on the presentation of the financial statements and the related activities in two distinct ways: 1) the review of government-wide financials that reflect the overall assets and activity of the government including the District's capital assets and long term debt obligations, and 2) the more traditional view of the governmental funds that have been established to account for specific activities of the District.

This MD&A will provide a quick look at the highlights of each of these presentations, a more definitive view of what comprises each of these presentations, and a more detailed analysis of each of the presentations, key components and the changes that occurred during 2025.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

The basic government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

➢ *Governmental funds*: The District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general, debt service, and capital projects – all of which are considered to be major funds.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general fund in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 3-6 of this report.

Financial Highlights

Government-wide financial statement highlights include:

- The combined liabilities of the District exceeded its assets at the close of the most recent fiscal year by $1,112,048 (net position). $2,825 is considered restricted and the remainder of net position is considered unrestricted.

- The District's non-current long-term liabilities total $12,477,169:
  - The District issued bonds in 2025 in the par amount of $7,876,000. The full par amount is outstanding as of the end of the year plus $382,847 in accrued interest on the bonds.
  - The District accepted costs totaling $9,621,330 for public infrastructure improvements that the Developer constructed $5,356,922 was reimbursed to the Developer from bond proceeds and the remaining $4,264,408 is outstanding as of December 31, 2025 in addition to accrued interest of $273,278.

- The government's total net position decreased $1,112,048 under the full accrual method:
  - Investment income was recognized in the amount of $54,227 for the year as well as property tax revenues of $62,899. Expenses totaled $1,229,174 and primarily represents administrative costs, accrued interest on the bonds and developer advance obligation as well as bond issuance costs.

Fund financial statement highlights include:

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $2,007,789, which was all considered restricted.
- They are comprised of:
  - During 2025, the General Fund recorded revenues of $647 from interest income and received $49,687 of net transfers in from other funds and a developer advance receivable of $7,533 offset with $57,867 in expenditures, resulting in an ending fund balance of $0.
  - The Debt Service Fund has an ending fund balance of $2,004,963, which is restricted for future debt service payments. This amount represents $50,563 in interest income and $1,954,400 of transfers in from other funds.
  - The Capital Projects Fund has an ending fund balance of $2,826 and is restricted to future capital outlay.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general, debt service, and capital projects – all of which are considered to be major funds.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general and special revenue funds in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 3-6 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 7-20 of this report.

Supplementary information. The supplementary information provided in this report after the basic financial statements includes a schedule of revenues, expenditures, and changes in fund balances, budget and actual comparison, for the debt service fund and capital projects fund. These schedules can be found on pages 22-23 of this report.

Governmental Activities Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by $1,112,048 at the close of the most recent fiscal year.

	Governmental Activities 2025	Governmental Activities 2024	Increase (Decrease)
Assets			
Current and Other Assets	$ 2,079,681	$ -	$ 2,079,681
Capital Assets	9,621,330	-	9,621,330
Total Assets	11,701,011	-	11,701,011
Liabilities			
Current and Other Liabilities	335,890	-	335,890
Long-Term Liabilities	12,477,169	-	12,477,169
Total Liabilities	12,813,059	-	12,813,059
Net Position			
Restricted	2,825	-	2,825
Unrestricted	(1,114,873)	-	(1,114,873)
Total Net Position	$ (1,112,048)	$ -	$ (1,112,048)

	Governmental Activities 2025	Governmental Activities 2024	Increase (Decrease)
Revenues			
General Revenues:			
Investment Income	$ 54,227	$ -	$ 54,227
Property Tax	62,899	-	62,899
Total Revenues	117,126	-	117,126
Expenses			
General Government	66,180	-	66,180
Interest and Related Costs on Long-Term Debt	1,162,994	-	1,162,994
Total Expenses	1,229,174	-	1,229,174
CHANGE IN NET POSITION	(1,112,048)	-	(1,112,048)
Net Position - Beginning of Year	-	-	-
NET POSITION - END OF YEAR	$ (1,112,048)	$ -	$ (1,112,048)

Governmental Funds Financial Analysis

As noted earlier, the District used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $2,007,789, all of which is considered restricted, which is available for spending at the government's discretion within the parameters established for each fund.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the fund had a fund balance of $0. Revenues of $647 and expenditures of $57,867 were incurred in 2025 and a portion of expenditures were paid by transfers from other funds and developer advances.

The Debt Service Fund is used for future debt service payments. At the end of the year, a restricted fund balance of $2,004,963 was held in the fund.

The Capital Projects Fund is used for future construction of infrastructure and other capital-related activities. At the end of the year, a restricted fund balance of $2,826 was held in the fund.

General Fund Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sales of assets and debt repayments, as well as capital outlay. This budgetary accounting is required by State statutes.

Debt Administration

The District issued Series 2025 Senior Bonds and Series 2025 Subordinate Bonds in the original par amount of $6,980,000 and $896,000, respectively. The Senior Bonds bear interest at 6.00% and are payable annually to the extent of available senior pledged revenues beginning March 1, 2026. The Series 2025 Subordinate Bonds bear interest at 8.00% and are payable annually to the extent of available subordinate pledge revenues beginning March 15, 2026. The purpose of the Bonds were to finance capital projects costs benefitting the Moonlight development.

Additional information on the District's long-term obligations can be found within Note 5 of this report.

Next Year's Budget and Rates

The District has appropriated $58,000 in the General Fund, $403,697 in the Debt Service Fund, and $0 in the Capital Projects Fund for spending in the 2026 fiscal year. It is intended that fund balance plus developer advances will be sufficient to cover these expenditures.

Request for Information

Management's discussion and analysis is designed to provide a general overview of the District's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to:

District Accountant of Moonlight Public Infrastructure District No. 1
95 State Street, Suite 1150
Salt Lake City, UT 84111

BASIC FINANCIAL STATEMENTS

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and Investments	$ 1,460
Cash and Investments - Restricted	2,007,789
Developer Advance Receivable	7,533
Property Tax Receivable	62,899
Capital Assets:	
Capital Assets Not Being Depreciated	9,621,330
Total Assets	11,701,011
LIABILITIES	
Accounts Payable	8,993
Accrued Interest	326,897
Noncurrent Liabilities:	
Due in More Than One Year	12,477,169
Total Liabilities	12,813,059
NET POSITION	
Restricted for:	
Capital Projects	2,825
Unrestricted	(1,114,873)
Total Net Position	$ (1,112,048)

See accompanying Notes to Basic Financial Statements.

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 66,180	$ -	$ -	$ -	$ (66,180)
Interest on Long-Term Debt and Related Costs	1,162,994	-	-	-	(1,162,994)
Total Governmental Activities	$ 1,229,174	$ -	$ -	$ -	(1,229,174)
GENERAL REVENUES					
Property Taxes					62,899
Interest Income					54,227
Total General Revenues and Transfers					117,126
CHANGES IN NET POSITION					(1,112,048)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					$ (1,112,048)

See accompanying Notes to Basic Financial Statements.

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 1,460	$ -	$ -	$ 1,460
Cash and Investments - Restricted	-	2,004,963	2,826	2,007,789
Developer Advance Receivable	7,533	-	-	7,533
Property Tax Receivable	-	62,899	-	62,899
Total Assets	$ 8,993	$ 2,067,862	$ 2,826	$ 2,079,681
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 8,993	$ -	$ -	$ 8,993
Total Liabilities	8,993	-	-	8,993
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	-	62,899	-	62,899
Total Deferred Inflows of Resources	-	62,899	-	62,899
FUND BALANCES				
Restricted for:				
Debt Service	-	2,004,963	-	2,004,963
Capital Projects	-	-	2,826	2,826
Total Fund Balances	-	2,004,963	2,826	2,007,789
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,993	$ 2,067,862	$ 2,826	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,621,330
Deferred inflows of resources for leases are applicable to future periods, and, therefore, are not reported in the governmental funds.	
Property Taxes	62,899
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest	(382,847)
Senior Bond Payable	(6,980,000)
Subordinate Bond Payable	(896,000)
Developer Advance Payable	(4,545,219)
Net Position of Governmental Activities	$ (1,112,048)

See accompanying Notes to Basic Financial Statements.

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Interest Income	$ 647	$ 50,563	$ 3,016	$ 54,226
Acceptance Of Reimbursable Costs	-	-	9,621,330	9,621,330
Total Revenues	647	50,563	9,624,346	9,675,556
EXPENDITURES				
Current:				
Accounting	11,043	-	-	11,043
Insurance	4,822	-	-	4,822
Legal	42,002	-	-	42,002
Capital Projects:				
Bond Issue Costs	-	-	506,868	506,868
Engineering	-	-	8,313	8,313
Recognition Of Costs	-	-	9,621,330	9,621,330
Repayment Of Reimbursable Costs	-	-	5,356,922	5,356,922
Total Expenditures	57,867	-	15,493,433	15,551,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(57,220)	50,563	(5,869,087)	(5,875,744)
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	-	7,876,000	7,876,000
Developer Advance	7,533	-	-	7,533
Transfers From Other Funds	58,000	1,954,400	8,313	2,020,713
Transfers To Other Fund	(8,313)	-	(2,012,400)	(2,020,713)
Total Other Financing Sources	57,220	1,954,400	5,871,913	7,883,533
NET CHANGE IN FUND BALANCES	-	2,004,963	2,826	2,007,789
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	$ -	$ 2,004,963	$ 2,826	$ 2,007,789

See accompanying Notes to Basic Financial Statements.

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 2,007,789
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.	
Recognition of Costs	9,621,330
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.	
Bond Issuance	(7,876,000)
Developer Advance	(9,628,863)
Repay Developer Advance	5,356,922
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.	
Deferred Property Taxes	62,899
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest Payable - Change in Liability	(382,847)
Accrued Interest Payable Developer Advance - Change in Liability	(273,278)
Changes in Net Position of Governmental Activities	$ (1,112,048)

See accompanying Notes to Basic Financial Statements.

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

=

	Budget Original	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Income	-	$ 792	$ 647	$ (145)
Total Revenues	-	792	647	(145)
EXPENDITURES				
Accounting	4,000	15,000	11,043	3,957
Contingency	-	5,000	-	5,000
Insurance	-	-	4,822	(4,822)
Legal	6,000	45,000	42,002	2,998
Total Expenditures	10,000	65,000	57,867	7,133
OTHER FINANCING SOURCES (USES)				
Developer Advance	10,000	14,521	7,533	(6,988)
Transfers From Other Funds	-	58,000	58,000	-
Transfers To Other Fund	-	(8,313)	(8,313)	-
Total Other Financing Sources (Uses)	10,000	64,208	57,220	(6,988)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

On October 2, 2024, the City Council of Salem (the City) in Utah County, Utah (the County), acting in its capacity as the creating authority for the Moonlight Public Infrastructure District No. 1 (the District), adopted a resolution creating the District. On October 21, 2024, the Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and sales and use taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its budget for the year ended December 31, 2025.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain qualifying commercial paper, repurchase agreements and bankers' acceptances, and negotiable or nonnegotiable deposits of qualified depositories and the Utah Public Treasurers' Investment Fund. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments for the District are reported at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as a component of investment income.

Investments are carried at fair value.

Adoption of New Accounting Standards

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance.

The District adopted the requirements of the guidance effective January 1, 2025, and has elected to apply the provisions of this standard to the beginning of the period of adoption. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Property Taxes

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with state law. Property taxes are collected on two types of assets: 1) personal property, which represents business assets other than real estate, and 2) real estate and improvements. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through a tax sale process that is conducted when property taxes have been delinquent for five years. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes become a lien against the property as of January 1 in the year in which taxes are due. Property valuation notices are mailed to property owners in July.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

Property owners can appeal the assessed valuation no later than September 15. Tax notices are mailed to property owners on or before November 1. Payments are due November 30.

Property taxes due in November that are uncollected by the following March are reported as a property tax receivable on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are considered to be a deferred inflow of resources. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a monthly basis. Tax collections are recorded as funds held in trust until disbursement. The County adheres to the following procedures set forth by the Utah State Tax Commission:

January 1: Lien Date – All property appraised based upon situs and status as of this date (real and personal).

May 22: County Assessor completes assessment roll and delivers roll to County Auditor with required signed statement.

June 22: All taxing entities with fiscal years ending in June adopt tentative budgets and proposed tax rates and report them to the County Auditor.

July 22: County Auditor prepares and mails Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners. Notice is to include date, time, and place of public budget hearings.

August 1: Taxing entities proposing judgment levies and tax increases are to advertise the tax increase and/or judgment levy, hold public hearings, adopt by resolution final budgets and tax rates, and report this information to the County Auditor.

September 15: Applications for appeal of locally assessed real property are due to the County's Board of Equalization. (Hearings are held and decisions made through October 1.)

September 30: Utah State Tax Commission approves certified and proposed tax rates for each taxing entity.

October 1: Calendar-year taxing entities notify County governing body of intent to increase property taxes for the next calendar year. Calendar-year taxing entities must meet statutory noticing requirements which include a public meeting fourteen or more days before the November election, mailings to property owners seven or more days before the November election, and a twice-advertised public hearing.

November 1: County Auditor delivers the equalized assessment roll to the County Treasurer with affidavit and charges the County Treasurer to account for all taxes levied. County Treasurer mails tax notices.

December 1: Unpaid taxes on real property become delinquent and penalty is applied.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 1,460
Cash and Investments - Restricted	2,007,789
Total Cash and Investments	$ 2,009,249

Cash and investments as of December 31, 2025 consist of the following:

Investments	$ 2,009,249
Total Cash and Investments	$ 2,009,249

Deposits with Financial Institutions

The District's deposit and investment activities are governed by the Utah Money Management Act (Utah Code, Title 51, Chapter 7). The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state of Utah, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds. The Utah Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

As of December 31, 2025, the District had no deposits.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The State of Utah Money Management Council (the Council) has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds. The District follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. Statutes authorize the District to invest in: negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by United States government-sponsored enterprises (United States Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable-rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers' Investment Fund.

As of December 31, 2025, the District had the following investments:

Investment	Maturity	Amount
Morgan Stanley Instutional Liquidity Funds	Weighted-Average Under 60 Days	$ 2,009,249
		$ 2,009,249

Morgan Stanley Institutional Liquidity Funds Government Portfolio

The capital projects money that is included in the trust accounts at United Missouri Bank (successor of American National Bank) is invested in the Morgan Stanley Institutional Liquidity Funds Government Portfolio. This portfolio is an institutional mutual fund managed by Morgan Stanley Investment Management, Inc. and invests in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. Each share is equal in value to $1.00. The Fund is rated AAAmmf by Fitch, AAAm by Standard & Poor's, and Aaa-mf by Moody's.

NOTE 4 CAPITAL ASSETS

The capital assets constructed by the District will be dedicated to the City or other appropriate governmental entity or owners' association in a manner consistent with the applicable provisions of the City Code. The costs of all capital assets transferred to other governmental entities will be removed from the District's financial records.

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2025:

	Balance at December 31, 2024	Increases	Decreases	Balance at December 31, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 9,621,330	$ -	$ 9,621,330
Total Capital Assets, Not Being Depreciated	$ -	$ 9,621,330	$ -	$ 9,621,330

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's outstanding long-term obligations for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Bonds Payable:					
General Obligation Bonds Series 2025A	$ -	$ 6,980,000	$ -	$ 6,980,000	$ -
Subordinate Limited Tax Supported Revenue Bonds Series 2025B	-	896,000	-	896,000	-
Accrued Interest Series 2025B	-	55,950	-	55,950	-
Subtotal Bonds Payable	-	7,931,950	-	7,931,950	-
Other Debts:					
Developer Advance - Operating	-	7,533	-	7,533	-
Developer Advance - Capital	-	9,621,330	5,356,922	4,264,408	-
Accrued Interest on: Developer Advance - Capital	-	273,278	-	273,278	-
Subtotal Other Debts	-	9,902,141	5,356,922	4,545,219	-
Total Long-Term Obligations	$ -	$ 17,834,091	$ 5,356,922	$ 12,477,169	$ -

The details of the District's long-term obligations are as follows:

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2025A and Limited Tax General Obligation Bonds, Series 2025B (the Bonds)

Proceeds of the Bonds

The District issued the Senior and Subordinate Bonds on March 20, 2025, with a par amount of $6,980,000 and $896,000, respectively.

The 2025A Senior Bonds are being issued for the purpose of: (a) paying the Project Costs, (b) funding capitalized interest on the 2025A Senior Bonds, (c) funding the Initial Deposit to the Senior Surplus Fund, (d) paying costs in connection with the issuance of the 2025A Senior Bonds and the 2025B Subordinate Bonds, and (e) funding a working capital fund. The 2025B Subordinate Bonds are being issued for the purpose of paying Project Costs.

Details of the 2025A Senior Bonds

The 2025A Senior Bonds will bear interest at the rate of 6.000%, payable annually to the extent of Senior Pledged Revenue available on March 1 (the “Interest Payment Date”), beginning on March 1, 2026. Annual mandatory sinking fund principal payments are due on March 1, beginning on March 1, 2032. The 2025A Senior Bonds mature on March 1, 2056.

To the extent principal of any 2025A Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on March 1, 2066 (the “Senior Discharge Date”). To the extent interest on any 2025A Senior Bond is not paid when due, such interest shall compound annually on each March 1 at the rate then borne by the 2025A Senior Bond. The District shall not be obligated to pay more than the amount permitted by law in repayment of the 2025A Senior Bonds.

If any amount of principal of or interest on the 2025A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on March 1, 2066, the 2025A Senior Bonds will be deemed discharged.

Details of the 2025B Subordinate Bonds

The 2025B Subordinate Bonds will bear interest at the rate of 8.000% per annum payable annually on each March 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on March 15, 2026. In the event interest on any bond is not paid when due, such interest is to compound annually on each March 15, at the rate then borne by the 2025B Subordinate Bond.

To the extent principal of any 2025B Subordinate Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on March 15, 2066 (the “Subordinate Discharge Date”). To the extent interest on any 2025B Subordinate Bond is not paid when due, such interest shall compound annually on each March 15 at the rate then borne by the 2025B Subordinate Bond. The District shall not be obligated to pay more than the amount permitted by law in repayment of the 2025B Subordinate Bonds.

If any amount of principal of or interest on the 2025B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on March 15, 2066, the 2025B Subordinate Bonds will be deemed discharged.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2025A and Limited Tax General Obligation Bonds, Series 2025B (the Bonds) (Continued)

Senior Pledged Revenue

The 2025A Senior Bonds are secured by and payable solely from the Senior Pledged Revenue consisting of the following revenues: (a) all Senior Property Tax Revenues; (b) all Senior Pioneering Agreement Revenues; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Required Mill Levy

Senior Required Mill Levy means an ad valorem property tax on the taxable property in the District each year in an amount which, if imposed by the District for collection in the current calendar year, after the deduction of the Administrative Expenses and Trustee Fees, would generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2025A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in Section 3.07(f) hereof, the Senior Surplus Fund) but not in excess of 0.0040 per dollar of taxable value provided, however, that: for so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 0.0040 per dollar of taxable value, or such lesser amount which, if imposed by the District for collection in the current calendar year, after the deduction of the Administrative Expenses and Trustee Fees, would generate Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the 2025A Senior Bonds as the same become due and payable, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Senior Surplus Fund, will pay the 2025A Senior Bonds in full in the Senior Bond Year such levy is collected.

Senior Required Mill Levy (Continued)

Provided however, that pursuant to 17D-4-301(8) of the Utah Code, in the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the Senior Property Tax Revenues, the District may charge a rate sufficient to receive the amount of property taxes the District would have received before the statutory change in order to pay the debt service on Outstanding 2025A Senior Bonds.

Subordinate Pledged Revenue

The 2025B Subordinate Bonds are secured by and payable solely from the Subordinate Pledged Revenue consisting of the following revenues: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Pioneering Agreement Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Required Mill Levy

Subordinate Required Mill Levy means an ad valorem property tax on the taxable property in the District each year in an amount equal to (i) 0.0040 per dollar of taxable value less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the current calendar year, would, after the deduction of the Administrative Expenses and Trustee Fees, generate Subordinate Property Tax Revenues which, when

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2025A and Limited Tax General Obligation Bonds, Series 2025B (the Bonds) (Continued)

combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2025B Subordinate Bonds in full in the Subordinate Bond Year such levy is collected; provided however, that pursuant to 17D-4-301(8) of the Utah Code, in the event of any statutory change in the methodology of assessment or collection of property taxes in a manner that reduces the Subordinate Property Tax Revenues, the District may charge a rate sufficient to receive the amount of property taxes the District would have received before the statutory change in order to pay the debt service on Outstanding 2025B Subordinate Bonds.

Senior Surplus Fund

The 2025A Senior Bonds are additionally secured by the Senior Surplus Fund. Except for the Initial Deposit of $698,000, the Senior Surplus Fund will not be funded from proceeds of the 2025A Senior Bonds but shall be funded solely by Senior Pledged Revenue that is not needed to pay debt service on the 2025A Senior Bonds in any year, up to the Maximum Surplus Amount of $1,396,000. The forecast expects the Senior Surplus Fund to be drawn upon in 2029 to meet annual debt service requirements of the 2025A Senior Bonds and reaches the Maximum Surplus Amount in 2035.

The Senior Surplus Fund is to be maintained until the earlier of the date on which the 2025A Senior Bonds are fully redeemed or the maturity date of the 2025A Senior Bonds, at which time any amounts on deposit in the Senior Surplus Fund will be applied to the payment of the 2025A Senior Bonds.

The District acknowledges that State law places certain restrictions upon the use of amounts appropriated or added to the tax levy to pay the principal of, premium, and interest on any bonds, and any then existing pledge or encumbrance on such revenues.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2030, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2030, to May 31, 2031	3.00%
June 1, 2031, to May 31, 2032	2.00
June 1, 2032, to May 31, 2033	1.00
June 1, 2033, and thereafter	0.00

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2025A and Limited Tax General Obligation Bonds, Series 2025B (the Bonds) (Continued)

The District's Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ -	$ 396,697	$ 396,697
2027	-	418,800	418,800
2028	-	418,800	418,800
2029	-	418,800	418,800
2030	-	418,800	418,800
2031-2035	150,000	2,084,100	2,234,100
2036-2040	485,000	1,999,800	2,484,800
2041-2045	940,000	1,804,200	2,744,200
2046-2050	1,585,000	1,449,300	3,034,300
2051-2055	2,490,000	872,500	3,362,500
2056	1,330,000	79,800	1,409,800
Total	$ 6,980,000	$ 10,361,597	$ 17,341,597

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2025 as follows:

	Governmental Activities
Restricted Net Position:	
Capital Projects	$ 2,825
Total Restricted Net Position	$ 2,825

The District has a deficit unrestricted net position primarily due to the costs of issuance and interest expense on the Bonds.

NOTE 7 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District may be dependent upon funding by the Developer.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfer from the Capital Projects Fund to the General Fund was for the funding of administrative costs of the District. The transfer from the Capital Projects Fund to the Debt Service fund was to pay agent fees related to management of the accounts held with the trustee.

NOTE 9 RELATED PARTY

The developer of the property which constitutes the District is Arive Homes, LLC, a Utah limited liability corporation (the Developer). All of the members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

Funding and Reimbursement Agreement

The District and the Developer will enter into a Funding and Reimbursement Agreement (Administration) (the "Administration Funding Agreement"). Under the Administration Funding Agreement, the Developer has agreed to loan to the District an amount not to exceed $100,000 (as the same may be subsequently increased by agreement of the District and the Developer, the "Maximum Loan Amount"). These funds will be loaned to the District in one or a series of installments (each, a "Loan Advance") and will be available to the District through December 31, 2026 (as the same may be amended in accordance with the Administration Funding Agreement, the "Loan Obligation Termination Date"). Thereafter, the Developer may agree to renew its obligations by providing written notice to the District, in which case the Loan Obligation Termination Date will be amended to the date provided in such notice, which date will not be earlier than December 31 of the succeeding year.

These funds will be loaned to the District in one or a series of installments (each, a "Loan Advance") and will be available to the District through December 31, 2026 (as the same may be amended in accordance with the Funding and Reimbursement Agreement (Administration), the "Loan Obligation Termination Date").

With respect to Loan Advances made under the Funding and Reimbursement Agreement (Administration) prior to the earlier of payment in full thereof, or the issuance of any Reimbursement Obligation reflecting such Advances, interest shall accrue on such amounts, as simple interest with no compounding at the rate of the MMD Interest Rate (the "Interest Rate"). Such Interest Rate shall adjust on an annual basis.

As of December 31, 2025, $7,533 in principal is outstanding under this agreement which represents a receivable as of the end of 2025.

NOTE 9 RELATED PARTY (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

On January 24, 2025, the District entered into the Infrastructure Acquisition and Reimbursement Agreement with the Developer. This agreement establishes guidelines for evaluating any request from the Developer to accept costs which may be eligible for reimbursement under this agreement. Eligible District costs shall be certified by the District's accountant and engineer. The District shall reimburse the Developer within 30 days following the acceptance of the eligible District costs. Amounts outstanding shall accrue interest at the Municipal Market Data "AAA" General Obligation Yield Curve, 30-Year constant maturity plus 400 basis points.

As of December 31, 2025, $4,264,408 in principal and $273,278 in interest is outstanding under this agreement.

NOTE 10 AGREEMENTS

City Interlocal Agreement

The District has entered into a City Interlocal Agreement (the Interlocal Agreement), dated October 2, 2024, with the City, which, among other things, restates provisions of the Governing Document regarding the limitations on the District's exercise of powers. The Interlocal Agreement generally functions as a contractual obligation of the District to abide by the limitations imposed on it by the City. Some or all of the Public Improvements constructed within the District will be transferred to the City.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SUPPLEMENTARY INFORMATION

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget Original	Budget Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Interest Income	-	$ 25,000	$ 50,563	$ 25,563
Total Revenues	-	25,000	50,563	25,563
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	25,000	50,563	25,563
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	-	1,954,400	1,954,400	-
Total Other Financing Sources	-	1,954,400	1,954,400	-
NET CHANGE IN FUND BALANCE	-	1,979,400	2,004,963	25,563
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 1,979,400	$ 2,004,963	$ 25,563

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Interest Income	-	$ 5,000	$ 3,016	$ (1,984)
Acceptance Of Reimbursable Costs	-	9,621,330	9,621,330	-
Total Revenues	-	9,626,330	9,624,346	(1,984)
EXPENDITURES				
Engineering	-	8,500	8,313	187
Recognition Of Costs	-	9,621,330	9,621,330	-
Repayment Of Reimbursable Costs	-	5,356,922	5,356,922	-
Bond Issue Costs	-	506,678	506,868	(190)
Contingency	-	5,000	-	5,000
Total Expenditures	-	15,498,430	15,493,433	4,997
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,872,100)	(5,869,087)	3,013
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	-	7,876,000	7,876,000	-
Developer Advance	-	8,500	-	(8,500)
Transfers From Other Funds	-	-	8,313	8,313
Transfers To Other Fund	-	(2,012,400)	(2,012,400)	-
Total Other Financing Sources (Uses)	-	5,872,100	5,871,913	(187)
NET CHANGE IN FUND BALANCE	-	-	2,826	2,826
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 2,826	$ 2,826

MOONLIGHT PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2025

Bonds/Loans and Interest Maturing in the Year Ending December 31,	$6,980,000 Limited Tax General Obligation Series 2025A Dated March 20, 2025 Interest Rate Fixed 6.00% Interest and Principal Payable March 1		
	Principal	Interest	Total
2026	$ -	$ 396,697	$ 396,697
2027	-	418,800	418,800
2028	-	418,800	418,800
2029	-	418,800	418,800
2030	-	418,800	418,800
2031	-	418,800	418,800
2032	20,000	418,800	438,800
2033	30,000	417,600	447,600
2034	45,000	415,800	460,800
2035	55,000	413,100	468,100
2036	70,000	409,800	479,800
2037	80,000	405,600	485,600
2038	95,000	400,800	495,800
2039	110,000	395,100	505,100
2040	130,000	388,500	518,500
2041	145,000	380,700	525,700
2042	165,000	372,000	537,000
2043	185,000	362,100	547,100
2044	210,000	351,000	561,000
2045	235,000	338,400	573,400
2046	260,000	324,300	584,300
2047	285,000	308,700	593,700
2048	315,000	291,600	606,600
2049	345,000	272,700	617,700
2050	380,000	252,000	632,000
2051	415,000	229,000	644,000
2052	455,000	204,300	659,300
2053	495,000	177,000	672,000
2054	540,000	147,300	687,300
2055	585,000	114,900	699,900
2056	1,330,000	79,800	1,409,800
Total	$ 6,980,000	$ 10,361,597	$ 17,341,597

COMPLIANCE REPORTING

Placeholder 1 for Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Placeholder 2 for Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Placeholder 1 for Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide

Placeholder 1 for Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide

Placeholder 1 for Schedule of Findings and Recommendations

Placeholder 2 for Schedule of Findings and Recommendations

Placeholder for Response to the Findings and Recommendations

FIRST AMENDMENT TO GOVERNING DOCUMENT

FOR

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-2

SALEM CITY, UTAH

Approved by the City: June 17, 2026

Approved by the Districts: _______, 2026

Amending the Governing Document

Dated October 2, 2024

FIRST AMENDMENT TO
GOVERNING DOCUMENT

This FIRST AMENDMENT TO GOVERNING DOCUMENT, dated as of June 17, 2026 (the "First Amendment"), amends and supplements the Governing Document for Moonlight Village Public Infrastructure District Nos. 1-2 (the "Districts") dated October 2, 2024 (the "Original Governing Document"). This First Amendment shall become effective upon passage of resolutions of the City and the Districts approving this First Amendment, in accordance with the provisions of the Original Governing Document.

I. Purpose and Intent of First Amendment

The purpose of this First Amendment is to: (1) amend the appointment of the Boards such that such Boards are self-appointing and (2) amend the disclosures for the Districts to require a sign be placed outside of model homes, each as described herein. The Interlocal Agreement is not being amended as part of this First Amendment.

II. Amendment to Section VI of the Original Governing Document

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

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

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

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

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

Trustee 3. Trustee 3 shall transition to an elected seat after the end of a full term during which 90% of the Anticipated Units have received certificates of occupancy.

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

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

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

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

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

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

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

B. Notice to Buyers and Lessees.

1. The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information prior to entering into any purchase contract or lease or acceptance of any deposit relating to such residential or commercial property with initial resident homeowners or commercial property owners and/or commercial tenants, as applicable:

(1) All of the information in the first paragraph of this XI.A.;

(2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

"Under the maximum property tax rate of the District, **for every $100,000 of taxable value**, there would be an **additional annual property tax of $500** for the duration of the District's Bonds."

(3) Such disclosures shall be contained on a separate-colored page of the applicable closing documents and shall require a signature of such purchaser acknowledging the foregoing.

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

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

3. The Developer shall obligate any homebuilder, commercial developer, or bulk lot purchaser to provide the notices contained in 1, 2, and 3 above as part of any purchase agreement to such homebuilder, commercial developer, or bulk lot purchaser.

IV. Effective Date; First Amendment Construed with Governing Document

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