January 4, 2017

Michael J. McKee
Executive Director
Seven County Infrastructure Coalition
c/o Blaisdell, Church & Johnson, LLC
5995 S. Redwood Rd.
Salt Lake City, UT 84123

Mr. McKee:

EFG Consulting (EFG) is pleased to present this proposal to the Coalition. EFG’s goal is to help the Coalition make excellent long-term financial decisions that maximize the economic impact to rural Utah. EFG will add high-quality financial evaluation and financing capabilities to your top-notch engineering, legal, and administrative team. The synergy of this complete team will place the Coalition in a position to properly deploy resources toward a brighter economic future.

The strength EFG brings to the Coalition is a depth of experience in capital financing, evaluation and deployment of public/private partnerships, and especially a first-hand understanding of the unique economic conditions of rural Utah.

Capital Financing – Over the past dozen years, Cody Deeter has assisted local governments issue more than $750m in local government bonds for a breadth of purposes. This includes private activity bonds, assessment bonds, revenue bonds, general obligation bonds, and tax increment bonds. Cody has structured bond purchases directly to banks and through underwriters and syndicates. Cody is known for his creativity and tenacity in finding financing solutions that meet the needs and goals of his clients including public private funding partnerships.

Public/Private Partnerships – EFG recently closed on a public private partnership with the University of Utah to deploy a 1.5MW solar system in a transaction that allowed the University access to the benefit of tax credits it could not otherwise enjoy. Cody has also developed tax structured redevelopment agency projects across the state as a key public private tool. In these transactions, like the work performed for the Coalition related to Nikola, EFG brings a depth of experience understanding the needs, benefits and constraints of both the public and private entities.

Rural Utah – EFG is rooted in rural Utah. We understand the opportunities and challenges unique to the rural economies of Utah. Projects in rural Utah must be evaluated through different lenses than those used by most other teams that primarily work along the Wasatch Front or other metro areas.

EFG is anxious to add our skills to yours as we move the Coalition to its successful future. Cody Deeter will be the contact person for EFG. cody@efg-consulting.com. I certify that this proposal is true and complete.
CODY DEETER
Project Lead – President/CEO EFG Consulting

Cody has over a dozen years of experience as a municipal advisor and public/private entity consultant. He is a registered municipal advisor through the SEC and MSRB with a FINRA Series 50 Municipal Advisor Representative license. His expertise and experience are described in more detail below and in the attached resume. Cody has worked with many public entities and private companies to find win-win solutions to economic development and project deployment. His unique perspective on public/private partnerships has been developed through practical experience. He understands the risk and reward regimes for both sectors and can successful help the Coalition make quality decisions based upon quantitative and qualitative data.

The following table provides a summary of Cody’s experience that is most pertinent to the Coalition’s needs. A few highlights include the work EFG has performed for the Coalition for Nikola Motors and for the current projects being considered by the Coalition.

Cody’s work with the Vineyard RDA in structuring a public-private partnership is a good example of the type of creativity Cody brings to the Coalition. In 2014, a private developer and Larry H. Miller Theatre group wanted to develop an IMAX/Megaplex theatre in Vineyard Town. The Town wanted the theatre as an anchor tenant in their fledgling retail center. The property owner, private developer, and Larry Miller group were finding a challenge with securing commercial financing at profit levels that made sense for all parties. Cody developed a plan with Vineyard Town to provide a structure that would solve the problem. The land would be donated to the developer by the current land owner so there was sufficient unencumbered value for the private developer. He could then secure financing and sign a long-term lease with Larry Miller. The current land owner would be paid for the land through a development agreement with Vineyard RDA over the next 20 years through additional tax revenue from the RDA. This allowed the project to be developed and for all parties to have their needs met. Cody is committed to finding these types of creative funding solutions for the Coalition.
## Team Member Qualifications

<table>
<thead>
<tr>
<th>Name of Analyst Manager</th>
<th>Year Type of Project</th>
<th>Name</th>
<th>Location</th>
<th>Project Cost</th>
<th>Services Performed and Value Added by Analyst</th>
<th>Client</th>
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<th>Statement of Applicability</th>
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</thead>
<tbody>
<tr>
<td>Cody Deeter</td>
<td>2017 Public/Private Partnership</td>
<td>Nikola Motors</td>
<td>SCIC</td>
<td>$54m (potential)</td>
<td>Provided analysis to SCIC regarding Nikola’s request for funding</td>
<td>SCIC</td>
<td>Mike McKee</td>
<td></td>
<td></td>
<td>This type of analysis is what is needed for every project considered by the Coalition so decision makers can properly evaluate the risks and rewards of potential projects.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2017 Public/Private Partnership</td>
<td>SCIC Project Evaluation</td>
<td>Jones &amp; DeMille</td>
<td>Various</td>
<td>Assist Jones and DeMille in providing a decision framework for SCIC</td>
<td>SCIC/Jones &amp; DeMille</td>
<td>Brian Barton</td>
<td></td>
<td></td>
<td>Cody is deeply familiar with all the projects currently being evaluated by SCIC. He is already developing a financial framework to help move projects forward toward a decision.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2016-2017 Public/Private Partnership</td>
<td>University of Utah Solar Project</td>
<td>Salt Lake City Campus</td>
<td>$4m</td>
<td>Structured a financial transaction for Celtic Bank to take tax credits to pull down the overall cost of power to UofU. This includes setting up a new LLC to own the panels, entering into a transaction with Celtic, and monitoring the construction of the solar system.</td>
<td>Celtic Bank</td>
<td>Jake Barney - CFO</td>
<td>(801) 792-6263</td>
<td><a href="mailto:jbarney@celticbank.com">jbarney@celticbank.com</a></td>
<td>The applicability to the Coalition is the ability to analyze the financial goals of the University, the capabilities of Celtic Bank and its use of tax credits, and the ability to quantify and meet the financial energy needs of the university.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2016-2017 Private Business Evaluation</td>
<td>Hunt Electric</td>
<td>Various</td>
<td>Various</td>
<td>EFG has developed a financial evaluation tool to analyze the benefit of solar for private and public entities including the use of tax credits (or “selling” of tax credits) to pull down overall power costs as part of a long-term energy strategy.</td>
<td>Hunt Electric</td>
<td>Brok Thayn - Renewable Energy Division Manager</td>
<td>(801) 656-7293</td>
<td><a href="mailto:brok@huntelectric.com">brok@huntelectric.com</a></td>
<td>The applicability to the Coalition is the ability to create an analysis tool to quickly evaluate the financial impacts of a private entity or public entities financial goals. Also the ability to understand the limitations and advantages of public and private entities and finding ways to join when mutually beneficial.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2015-2017 Public/Private Partnership</td>
<td>TCFC (Canyons Ski Resort)</td>
<td>Park City, Utah</td>
<td>$100m-$1b</td>
<td>Structuring/consulting on creation and funding of an assessment area and redevelopment project area between Weber County and Summit.</td>
<td>TCFC</td>
<td>Larry White - Manager</td>
<td>(443) 463-2760</td>
<td><a href="mailto:lwhite@tc-fc.com">lwhite@tc-fc.com</a></td>
<td>TCFC is the master developer for all the lands in the Canyons Resort. Cody is assisting with a public private partnership to fund critical infrastructure to increase the viability of the resort. The application to the Coalition is a) creative finance and b) understanding the long-term business plan of TCFC and the needs/resources of the County.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2012-2017 Public/Private Partnership</td>
<td>Summit Powder Mountain Development</td>
<td>Powder Mountain, Utah</td>
<td>$100m-$1b</td>
<td>Structured/consulted on creation and funding of an assessment area, redevelopment project area, and tourism tax rebate between Weber County and Summit.</td>
<td>Summit Powder Mountain</td>
<td>Greg Mauro - Summit Series Attorney</td>
<td>(858) 752-4262</td>
<td><a href="mailto:greg@summit.co">greg@summit.co</a></td>
<td>Powder Mountain was a desolate resort until the Summit Series purchase this in 2013. Cody assisted with a public/private partnership to develop the horizontal infrastructure to the site and continues to provide support to see the development move toward its mission to create a home of the world renown Summit Series. The application for the Coalition is a) create finance and b) coordination between business plan for private and goals/resource allocation of public entities.</td>
</tr>
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</table>
Like Seven County, ASEA had no real credit history. Cody developed a finance and credit plan for the Territory to put their best foot forward including a long-term finance plan. American Samoa is remarkably similar to rural Utah - narrow economies subject to volatile commodities and a net export of human capital. In order to move a rail spur in the middle of the commercial area of town, Cody assisted the City with the issuance of bonds to UDOT to remove the rail. Assisted the City with analysis that led to the sale of its gas and electric utilities to RMP and Questar. This included fully refunding its outstanding bonds and creating a cash reserve to reduce future bonding needs for government needs. Refunded/refinanced publicly offered debt to a private bank to provide rate relief to utility rate payers. This provides good experience to SCIC as they look to potentially fund utility related bonds for the upgrader. Developed an underlying rate structure to secure bonds to rehabilitate and add new infrastructure to the system. Included structuring the financing with the State Drinking Water Board to ensure affordability for rate payers. The Town wanted the Larry Miller IMAX as an anchor for new development. The land owner and theatre developer were able to partner with the town to structure a finance package that allowed the theatre to be built when traditional commercial financing would not work. The structure minimized the risk to the Town by creating a tax rebate, post-performance based repayment to the land owners. The application to the Coalition is a) creative finance and b) due diligence review of land owner and theatre owners financial business plan. A public entity issued bonds to assist a private entity to achieve mutually desired goals of development within the community. This also included getting the transaction rated, selecting an underwriter, and closing on a publicly offered bond transaction.
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<tr>
<td>Cody Deeter</td>
<td>2014</td>
<td>Public/Private Partnership</td>
<td>Eagle Mountain City</td>
<td>Eagle Mountain City, UT</td>
<td>$2.207 m</td>
<td>Refunded Assessment Bonds with Sales tax to provide savings to the City</td>
<td>Eagle Mountain City</td>
<td>Paul Jerome - Assistant City Manager &amp; Finance Director</td>
<td>(801) 789-6606</td>
<td><a href="mailto:pjerome@emcity.org">pjerome@emcity.org</a></td>
<td>Refunded/refinanced a developer driven assessment bond to ensure that the City received additional benefit from the risk it took in issuance assessment bonds. Public entities need to be made whole when possible for risks they incur in public/private partnerships.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2014</td>
<td>Public</td>
<td>Eagle Mountain Water &amp; Sewer Refunding</td>
<td>Eagle Mountain City, UT</td>
<td>$9.685 m</td>
<td>Refunded the City’s bonds to save rate payers money</td>
<td>Eagle Mountain City</td>
<td>Paul Jerome - Assistant City Manager &amp; Finance Director</td>
<td>(801) 789-6606</td>
<td><a href="mailto:pjerome@emcity.org">pjerome@emcity.org</a></td>
<td>Refunded/refinanced publicly offered debt to a private bank to provide rate relief to utility rate payers. This provides good experience to SCIC as they look to potentially fund utility related bonds for the upgrader.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2013</td>
<td>Public</td>
<td>RDA of Vineyard Town</td>
<td>Vineyard, Utah</td>
<td>$18.366 m</td>
<td>Assisted with the issuance of bonds directly to a Utah Bank</td>
<td>Vineyard Town</td>
<td>Jake McHargue - City Manager</td>
<td>(801) 885-6285</td>
<td><a href="mailto:Jacobm@vineyardtown.com">Jacobm@vineyardtown.com</a></td>
<td>Vineyard RDA had never issued bonds in the past. Cody assisted with developing a credit and finance plan which satisfied a local Utah bank to purchase the bonds.</td>
</tr>
<tr>
<td>Cody Deeter</td>
<td>2013</td>
<td>Public</td>
<td>Eagle Mountain Gas &amp; Electric Refunding</td>
<td>Eagle Mountain City, UT</td>
<td>$17.502 m</td>
<td>Refunded the City’s bonds to save rate payers money</td>
<td>Eagle Mountain City</td>
<td>Paul Jerome - Assistant City Manager &amp; Finance Director</td>
<td>(801) 789-6606</td>
<td><a href="mailto:pjerome@emcity.org">pjerome@emcity.org</a></td>
<td>Refunded/refinanced publicly offered debt to a private bank to provide rate relief to utility rate payers. This provides good experience to SCIC as they look to potentially fund utility related bonds for the upgrader.</td>
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EFG has developed a financial model and process to analyze the business/financial potential of projects that come before the Coalition as part of the Nikola project. EFG has also worked closely with the SCIC team to provide preliminary financial overviews of each project being considered by the Coalition. EFG will continue to move this work product to a full financial analysis and funding evaluation for each project. This analysis will compare several key financial variables including:

1) **Current alternative for project and cost.** For example, with the pipeline project, what is the current transportation cost per barrel. What is the current market?

2) **SCIC cost comparison.** Determine the likely range of costs and fees SCIC could charge for the project assuming the current market demand. This will determine if the alternative from SCIC is marketable. This will include a pro forma for the project which will be fleshed out through this process so SCIC board members and staff can see the value and risk potentials.

3) **Risks and Rewards.** If the SCIC alternative appears to be viable, develop risk profiles that could erode the project over the life of the assets. This will include the current market use (i.e. how else is oil being moved out of the Basin?), future uses, other projects being considered by SCIC or other groups as not all options can be selected, and commodity fluctuation risks.

4) **Financing Alternatives.** What is the most viable and best financing solutions for SCIC to entertain. This will include the issuance of bonds, entering into participation agreements with private institutions to share in the financing (i.e. SCIC provides x% and the private party y%), local government participation (community reinvestment agency, enterprise zones, community investment fund, high infrastructure tax credits or other similar opportunities), and other financing options that are in the best interest of SCIC and the project.

5) **Develop an Execution Plan.** This will include negotiating commitments from SCIC project users (e.g. oil producers or utility users) to secure the financing. In order to move the project to full fruition, a detailed engineering, legal and finance/business plan will need to be developed and followed. EFG works very well with Jones and DeMille who would develop or coordinate the engineering side as well as Blaisdell, Church & Johnson who would develop the legal side.

The following page provides an output from the current model developed to evaluate projects that follows the outline above. This is the type of graphical interface that can be used to provide the Coalition board with a snapshot for each project. We believe this will provide consistency and ease of understanding. This sample is preliminary and is intended as a representation of the analysis.
The first section describes the total costs to build, operate and maintain the project. The second section describes the current market, how the units are measured, total available market, and potential capture rates by the Coalition project. The third section describes the potential costs/unit to deliver on the Coalition pipeline taking into account all costs and potential capture rates. The fourth section compares the Coalition cost/unit with the current market comparables and then depicts potential profits/losses across the range of costs and capture rates. The graph at the top describes the market comps (the red and orange lines) to the Coalition options (the blue bar graphs). In this example, the Coalition options are below the market options which is positive. The graph at the bottom then describes annual profits (or losses) for the various cost and capture rates.

EFG believes this type of interface is easy to follow and provides a good market-based comparison. Any analysis of this type would include a memo with additional information regarding long-term risks and opportunities.
EFG will also evaluate projects similar to Nikola Motors or the Thorium project to determine if projects are potentially viable. Our primary objective in these analyses will be to determine if the technology is ready for marketability. EFG has access to Idaho National Laboratories and other technical experts which can be brought in if needed. The following is the process we will follow to analyze these types of projects.

**Potential Marketplace Competition**
This evaluation will include understanding the cost per unit including the full lifecycle cost of the facility. This cost per unit will then be compared to current and estimated future costs of other energy sources as a means to understand the required price points in the market and ultimate viability.

**Adequate Funding Needs**
The bottleneck for most projects is the ability to acquire financing at reasonable terms. Significant financial due diligence is required by all lenders in order to determine viability. Our team will provide a deep dive into the financial projections including stress-testing of key financial variables. The purpose of this is two-fold: 1) to understand the potential funding available in the market, and 2) to understand the risks to the Coalition as more fully described in a subsequent section below. We will evaluate any potential offers or third-party analysis that may have already been provided to understand the perceived risk by others in the market. Our analysis will also determine what additional costs will need to be borne in order to reach marketability including marketing costs, product development and/or further research and development, and capital/manufacturing overhead expense.

**Market Potential Compared to Market Risks – Public Private Partnership Appropriateness**
As described above, part of this section will be a continuation of the full financial analysis and business case for the project. This will include an evaluation of the operation and maintenance costs, the repair and replacement or lifecycle costs, capital expense, debt assumptions, and return thresholds. This analysis will then stress test key variables to determine the breaking point and thus evaluate the likelihood of success. Key variable stress testing will be evaluated against likely market conditions to provide a risk-based analysis for the Coalition.

Other areas of analysis will include the potential financial and reputational exposure to the Coalition as well as potential financial vehicles available to minimize or push off risk if possible. Our team will also provide several risk scenarios to depict what might happen in a public private partnership should problems arise. This might include the impact of private bankruptcy, public assumption of private debt, public assumption of capital infrastructure, public debt repayment options in low revenue periods, and other pertinent risk-based scenario analysis.

**Business Experience of Private Entity**
Our team will request and analyze the business and all its partners, associates, and associated business ventures to determine the past business experience of key players. Past performance is a good indicator of risk thresholds for key parties as projects mature.

**Evaluation of Principals**
Similar to the previous item, our team will analyze the key principals and those with true investment in the project to determine their level of financial, business or technical expertise as well as their level of investment or level of business or personal financial risk in the project. Those with more skin in the game and more financial, business or technical expertise demonstrate a higher likelihood of success for the project.
Other Sources of Funding
The market provides various types of funding for infrastructure projects including both debt and equity positions. This portion of the analysis will provide a benchmark of likely funding sources outside of the Coalition and what types of structures and interest rates/returns might be expected in the market. This analysis will review all potential funding opportunities already presented (if any) in order to determine the level of due diligence already provided by lenders/equity providers. The structure of the financing vehicle can have a significant impact upon the likelihood of success of the venture.

Other Appropriate Criteria
Our team will perform a full SWOT analysis of the project. This will include the current Strengths and Weaknesses of the project including the analysis described above. This will also include future looking Opportunities and Threats to the business plan. This analysis will be succinctly summarized to provide the Coalition a quick summary of the project prospective now and in the future. We will also include a recommendation and, if appropriate, next steps.
Cody Deeter has developed public infrastructure projects for the past 13 years. These include utility-based infrastructure such as water, sewer, garbage, storm drain, roads, and communications. This experience will prove valuable in projects such as the potential upgrader project in the Basin. EFG understands the interplay between utility rate structures and the ultimate financing mechanism that secures the funding. Cody will develop a proper rate structure that will be fair and equitable, provide sufficient revenues to operate, maintain, and pay for capital/debt of the project. This rate structure will ensure that SCIC is protected as much as possible from potential offtaker risks. This will likely include take-or-pay/base rate components as well as a variable/usage based fee.

The “E” in EFG stands for Energy which is one of the primary focuses of our business. EFG has the expertise and network to evaluate electric power systems and other technology from groups such as Hunt Electric, Idaho National Laboratory, and Paradox Consulting. EFG understands how to bring public private partnerships together in this critical area of energy. For example, EFG recently closed on a financing with the University of Utah to provide power to the University through a Power Purchase Agreement to two buildings on campus through a 1.5MW system (see pictures below). A short video of this project can be found at the following link: [https://www.youtube.com/watch?v=fHjSnXD1G2k](https://www.youtube.com/watch?v=fHjSnXD1G2k)

Cody has assisted Vineyard Town with the evaluation and funding of a rail spur extension and many other cities with road projects. Although Cody has not specifically funded projects related to oil or coal, his experience with project evaluation and funding of many other public sector infrastructure will carry over well to any project evaluation and finance opportunity being considered by the Coalition.
EFG recognizes two separate functions it will provide the Coalition. 1) Project evaluation and 2) Project finance. EFG proposes the following fee structure to address these two areas.

**PROJECT EVALUATION SERVICES**
For project evaluation services, EFG will charge an hourly fee of $150. Any service under this contract will not begin until authorized by the Coalition Director. EFG will provide detailed breakdowns of the services provided by project and the outcomes of those services so the Board has a full understanding of the value provided for the expense.

**PROJECT FINANCING**
For project financing, $2.00/$1,000 financed. For example, the fee for a $10m project would be $20,000. Project evaluation will naturally merge into project finance at some point in the process of certain projects. Once a project reaches the financing stage, EFG will stop charging hourly and will send a final project evaluation invoice. Services for the financing will be contingent and will be paid at final closing.

**OTHER EXPENSES**
Any out of pocket (above $250) or travel expenses (airfare, lodging, etc) for either set of services will be an additional fee but will not be charged without prior written approval from the SCIC Director.
Cody Deeter is the President and CEO of EFG which was established in 2017. The core mission of EFG is to help government and businesses make excellent long-term financial decisions. EFG can bring custom solutions to its clients utilizing its network of strategic engineering, legal, and financial partners.

**Work History**

**March 2017 – Present – CEO/President of EFG**

**January 2015 – Present – Adjunct Faculty – Romney Institute of Public Management within the Marriott School of Business at Brigham Young University**

Cody teaches public and non-profit budgeting. He adds “fun” to the class by teaching budget principles and then breaking the students into a mock city council to make “real” decisions.

**April 2005 – March 2017 – Vice President – Lewis Young Robertson & Burningham**

While at LYRB, Cody developed and executed long-term financial plans for more than 50 clients including helping clients issue of over $750m in bonds. Cody managed a 7-team group that provided all work product at the firm from 2012-2014. His expertise also included economic development planning and RDA management, user rates, project feasibility analysis, impact fees, and public private partnerships.

**Education and Licenses**

**MSRB – Series 50 – Municipal Advisor Representative**

**Masters of Public Administration – Brigham Young University – 2003-2005**

Key internships: Utah State Tax Commission – Economic and Statistics Unit, Internal Auditing Deeter Consulting – performed annexation study for Holladay City, Fire Stats Analysis for South Jordan City, Alpine School District Split Analysis

**Bachelor Degree in Political Science – Utah State University – 1997, 2000-2003**

Key Internships: United States House Natural Resource Committee Utah House of Representatives

**Service**

**South Africa Cape Town Mission – LDS Church – 1998-2000**

**For Fun**

I love to spend time with family fishing, camping, hiking, playing games, and enjoying the outdoors – especially in my home town of La Sal, San Juan County, Utah. I am a country boy.