

**SEVEN COUNTY INFRASTRUCTURE COALITION, UTAH
INDUCEMENT RESOLUTION
PRIVATE ACTIVITY BONDS**

February 9, 2023

RESOLUTION NO. 2023-02A

RESOLUTION AUTHORIZING AND INDUCING THE EXECUTION OF A MEMORANDUM OF INDUCEMENT AGREEMENT WITH UTAH BASIN RAILWAY, LLC, OR ANY AFFILIATE ENTITY THEREOF REGARDING THE ISSUANCE OF PRIVATE ACTIVITY BONDS IN AN AMOUNT NOT EXCEEDING \$1,900,000,000 TO FINANCE RAIL SURFACE TRANSPORTATION AND FREIGHT TRANSFER FACILITY AND RELATED IMPROVEMENTS; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; AND RELATED MATTERS.

WHEREAS, Seven County Infrastructure Coalition, Utah (the “Issuer”), is a separate and independent political subdivision authorized and created under the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”) pursuant to resolutions of each of its member counties consisting of Carbon, Daggett, Duchesne, Emery, San Juan, Sevier, and Uintah counties approving an Interlocal Agreement dated as of and effective as of December 1, 2016 (the “Interlocal Agreement”); and

WHEREAS, pursuant to paragraph 6.1.F of the Interlocal Agreement and as noted in the authorizing or approving resolutions of each member county, the Issuer is authorized to borrow money and incur indebtedness and to issue bonds for the purposes of the Issuer, including a rail surface transportation and freight transfer facilities project; and

WHEREAS, the Issuer, as authorized by its member counties through the Interlocal Agreement, is authorized and empowered by the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the “Act”) to issue revenue bonds or other forms of revenue financing (the “Bonds”) for the purpose of acquiring or financing projects for a facility or improvement, such as rail for any business purpose and for economic development; and

WHEREAS, the Issuer has previously entered into agreements with Drexel Hamilton Infrastructure Partners, L.P. to finance, own, construct, operate and maintain rail facilities, including freight transfer facilities, subject to compliance with certain terms and conditions set forth therein; and

WHEREAS, Drexel Hamilton Infrastructure Partners, L.P. desire to induce the Issuer to sponsor and issue limited obligation bonds to help fund the rail surface

transportation and freight transfer facilities project and related improvements in an amount of not less than \$1,900,000,000; and

WHEREAS, in order to enhance economic development and promote commerce and develop trade by inducing commercial enterprises to locate in, develop in, or remain in the State of Utah and the Seven County Infrastructure Coalition, the Issuer desires to help finance the acquisition, or construction, and equipping of a rail surface transportation and freight transfer facilities and related improvements, generally described in Exhibit "C" attached hereto (the "Project"). The Project will be owned and operated in whole or in part by the Uinta Basin Railway, LLC, a Delaware Limited Liability Company, which is owned and controlled by Drexel Hamilton Infrastructure Partners, L.P., a Delaware Limited Partnership, or any affiliate entity thereof (the "Borrower"); and

WHEREAS, the Borrower is reluctant to take steps toward the construction of the Project without satisfactory assurance from the Issuer that the proceeds of the sale of the Bonds of the Issuer will be made available to finance the acquisition, construction, and equipping of the Project; and

WHEREAS, it is deemed necessary and advisable for the development, welfare and prosperity of the Issuer and its inhabitants that the Project be acquired and constructed, and that the Issuer take such action as may be required under applicable statutory provisions to authorize and issue its Bonds to finance the Project in an amount not exceeding \$1,900,000,000; and

WHEREAS, the Bonds shall be limited obligations of the Issuer and at no time will they constitute a pledge of the general taxing powers or credit of the Issuer, of any member county, or of the State of Utah; and

WHEREAS, a form of agreement, hereafter designated as a "Memorandum of Inducement Agreement," has been prepared under which the Borrower has stated its willingness to promptly acquire and construct the Project; and

WHEREAS, it is considered necessary and desirable and for the best interest of said Issuer that execution of said Memorandum of Agreement be authorized for and on behalf of the Issuer; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to publish such a notice at this time in compliance with the Act with respect to the Bonds:

NOW, THEREFORE, Be It Resolved by the Governing Board of Seven County Infrastructure Coalition, Utah (the "Governing Board"), as follows:

Section 1. In order to assure that the Borrower finance, construct, operate and maintain the Project with the resulting public benefits which will flow therefrom, including economic development, it is deemed necessary and advisable that the

Memorandum of Inducement Agreement hereinafter referred to, be approved and executed for and on behalf of the Issuer.

Section 2. The Memorandum of Inducement Agreement by and between the Borrower and the Issuer in substantially the form and with the contents set forth in Exhibit "B" attached hereto, is hereby approved and the execution thereof is hereby authorized. The Executive Director of the Issuer is authorized to sign the Memorandum of Inducement Agreement with such corrections, changes and amendments as the Executive Director deems necessary or desirable and the application of the signature of the Executive Director shall be conclusive evidence that the Issuer has accepted and agreed to such corrections, changes and amendments. The Issuer's Secretary is authorized to attest to the signature of the Executive Director and to apply the seal of the Issuer to the Memorandum of Inducement Agreement.

Section 3. In accordance with the provisions of the Act, the Secretary shall cause the following "Notice of Public Hearing and Bonds to be Issued" to be published one (1) time in the Deseret News, a newspaper of general circulation in the Issuer, and shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Secretary's office, for public examination during the regular business hours of the Governing Board until at least thirty (30) days from and after the date of publication thereof. The "Notice of Public Hearing and Bonds to be Issued" shall be in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended, that on February 9, 2023, the Governing Board (the "Governing Board") of Seven County Infrastructure Coalition, Utah (the "Issuer") adopted an inducement resolution (the "Resolution") in which it expressed its intent to issue Private Activity Bonds in the aggregate principal amount of not to exceed One Billion Nine Hundred Million Dollars (\$1,900,000,000) (the "Bonds") to finance the acquisition, or construction, and equipping of a rail surface transportation and freight transfer facilities, and related improvements (the "Project"). The Project will be owned and operated in whole or in part by Uintah Basin Railway, LLC, or any affiliate entity thereof (the "Borrower").

NOTICE IS FURTHER GIVEN that the Issuer hereby calls a public hearing with respect to the Bonds on March 9, 2023, at 10:00 a.m. in Room 450 at the State Capitol located at 350 State Street in Salt Lake City, Utah. The Borrower intends to finance, acquire, and construct rail surface transportation facility and related improvements of approximately 87 miles in length from the Kyune, Utah area near Soldier Summit in Utah County to the Uinta Basin, including freight transfer facilities (the "Project"). This Project involves the financing, acquisition and construction of the rail and related improvements. All members of the public are invited to attend and participate in person or by written comment.

The Bonds are to be issued pursuant to the Resolution and a Final Bond Resolution which authorizes an Indenture of Trust or similarly related document (collectively, "Final Bond Resolution") to be adopted authorizing and confirming the sale of the Bonds for the purpose of financing the Project, establishing associated funds, and paying issuance expenses to be incurred in connection with the issuance and sale of the Bonds.

The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution the draft of a Final Bond Resolution which was before the Governing Board and attached to the Resolution in substantially final form at the time of the adoption of the Resolution (collectively, the "Bond Resolution") and said Final Bond Resolution is to be adopted by the Governing Board in such form and with such changes thereto as shall be approved by the Governing Board upon the adoption thereof. The proposed Bonds will not constitute general obligations of the Issuer, any of its member counties, of the State of Utah or any public body. The Issuer will not be obligated to pay costs incurred in connection with the issuance of the Bonds nor will it be liable to make payments of interest or principal on the Bonds.

A copy of the Resolution and the Final Bond Resolution are on file in the office of the Secretary of the Issuer at 751 E., 100 N., Price, Utah which is the office of the Carbon County Clerk/Auditor, where they may be examined during regular business hours of the Carbon County Clerk/Auditor and Secretary from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Bond Resolution or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, other than referendum rights, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever. This public hearing is required by the Tax Reform Act of 1986. Comments at the public hearing are invited. Written comments may be submitted to the Issuer to its Secretary at the office of the Carbon County Clerk/Auditor at 751 E. 100 N. in Price, Utah. Additional information can be obtained from the Issuer by calling (801) 520-5333.

DATED February 9, 2023.

/s/ Lenise Peterman
Secretary

Section 4. The Governing Board hereby directs the officials and staff of the Issuer to cooperate with and assist the Issuer's bond counsel, Eric Todd Johnson of Johnson, Patterson and Yellowhorse, and associated professionals to prepare documents and other certificates and opinions reasonably necessary to issue the Bonds.

Section 5. The Issuer hereby declares its intention and it reasonably expects to reimburse expenditures with bond proceeds in accordance with Treasury Regulation § 1.150-2.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. The Governing Board directs the Secretary to complete the attached Record of Proceedings.

Section 8. The Governing Board considers that this resolution is necessary and in the best interest of the Issuer, and therefore, it shall become effective immediately upon its passage, approval and adoption.

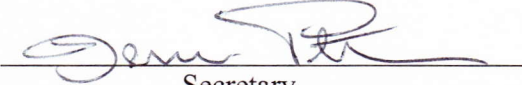
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Passed and approved this February 9, 2023, by the Governing Board of Seven County Infrastructure Coalition, Utah.

SEVEN COUNTY INFRASTRUCTURE
COALITION, UTAH


CHAIR

ATTEST:


Secretary

(S E A L)



EXHIBIT A
RECORD OF PROCEEDINGS

The Governing Board of the Issuer met in public session at the Governing Board's special meeting place at Room 450 in the State Capitol at 350 State Street, Salt Lake City, Utah on February 9, 2023 (the "Meeting"), at the hour of 10:00 a.m., or as soon thereafter as feasible, with the following members of the Governing Board being present:

Greg Miles	Co-Chair - Duchesne
Casey Hopes	Co-Chair - Carbon
Jack Lytle	Board member - Daggett
Brad Horrocks	Board member - Uintah
Lynn Sitterud	Board member - Emery
Silvia Stubbs	Board member - San Juan
Greg Jensen	Board member - Sevier

Also present:

Keith Heaton	Executive Director
Lenise Peterman	Secretary

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Horrocks and seconded by Jensen, and the Resolution was put to a vote and carried, the vote being as follows:

VOTING:	Carbon	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>
	Daggett	Yea <input type="checkbox"/> Nay <input type="checkbox"/>
	Duchesne	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>
	Emery	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>
	Sevier	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>
	San Juan	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>
	Uintah	Yea <input checked="" type="checkbox"/> Nay <input type="checkbox"/>

Those Abstaining: Daggett County

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Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF COUNTY CLERK/AUDITOR

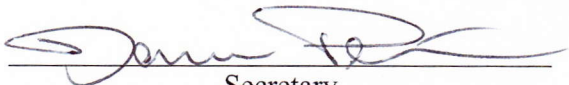
I, Lenise Peterman, the duly appointed and qualified Secretary of the Issuer, do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Governing Board at a public meeting duly held on February 9, 2023 (the "Meeting"). The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited at the office of the Carbon County Clerk/Auditor at 751 E. 100 N., in Price, Utah, on February 9, 2023 and is officially of record in my possession.

I further certify that, pursuant to the Resolution, I caused to be published a "Notice of Public Hearing and Bonds to be Issued" one (1) time in the Deseret News a newspaper having general circulation in the Issuer. An affidavit of publication of such notice shall be attached hereto.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Issuer, this February 9, 2023.

(S E A L)




Secretary

***(ATTACH AFFIDAVIT OF PUBLICATION OF PUBLIC HEARING AND NOTICE
OF INTENT TO ISSUE BONDS)***

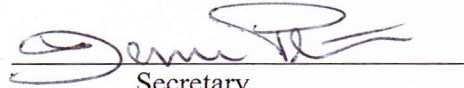
CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Lenise Peterman, the undersigned Secretary of the Issuer do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the February 9, 2023 public meeting held by the governing body of the Issuer as follows:

- (a) By causing a notice, in the form attached hereto as Schedule 1 (the "Meeting Notice"), to be posted at the principal office of the Issuer at least 24 hours prior to convening the meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and
- (b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Issuer at least twenty-four (24) hours prior to the convening of the meeting.
- (c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to convening the meeting.
- (d) By causing a copy of the Meeting Notice to be delivered to each of the members of the governing body by electronic means.

In addition, the Notice of 2023 Annual Meeting Schedule for the Issuer, attached hereto as Schedule 2, specifying the date, time and place of the regular meetings of the governing body of the Issuer to be held during the calendar year 2023 was (1) posted on Feb 10, 2023, at the principal meeting place of the Issuer at 751 E. 100 N., Price, Utah and (2) provided to at least one newspaper of general circulation within the geographic jurisdiction of the Issuer on _____, 202____, and (3) posted on the Utah Public Notice Website on Feb 10, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 9, 2023.


Secretary



[Attach Schedule 1, Meeting Notice]

[Attach Schedule 2, Annual Meeting Notice]

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EXHIBIT "B"

MEMORANDUM OF INDUCEMENT AGREEMENT

[See Transcript Document No. ____]

EXHIBIT "C"

PROJECT DESCRIPTION

Finance, acquire, and construct rail surface transportation facility and related improvements of approximately 87 miles in length from the Kyune, Utah area near Soldier Summit in Utah County to the Uinta Basin, including freight transfer facilities and related improvements consistent with approval from the U.S. Surface Transportation Board dated December 15, 2021.

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EXHIBIT "D"

FINAL BOND RESOLUTION

[See Transcript Document No. ____]