

SEVEN COUNTY INFRASTRUCTURE COALITION, UTAH
INDUCEMENT RESOLUTION
PRIVATE ACTIVITY BONDS

May 8, 2025

RESOLUTION NO. 2025-05A

RESOLUTION AUTHORIZING AND INDUCING THE EXECUTION OF A MEMORANDUM OF INDUCEMENT AGREEMENT WITH DREXEL HAMILTON INFRASTRUCTURE FUND II, LLC AND UNTA BASIN RAILWAY HOLDINGS, LLC, OR ANY AFFILIATE ENTITIES THEREOF REGARDING THE ISSUANCE OF PRIVATE ACTIVITY BONDS IN AN AMOUNT NOT EXCEEDING \$2,400,000,000 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 Amended 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, which includes 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 Interlocal Act to issue revenue bonds or other forms of revenue financing (the "Bonds") to make the most efficient use of their powers by enabling them to cooperate on a basis of mutual advantage and thereby to provide services and facilities in a manner that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities and to provide the benefit of economy of scale, economic development, and utilization of natural resources for the overall promotion of the general welfare of the public agencies and the state of Utah; and

WHEREAS, the Issuer has previously entered into agreements with Drexel Hamilton Infrastructure Partners, L.P. and its successor Drexel Hamilton Infrastructure Fund II, LLC (collectively, "DHIP") 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, DHIP, in conjunction with one or more of its affiliated entities, including Uinta Basin Railway Holdings, LLC, Uinta Basin Railway, LLC and Uinta Basin Terminal, LLC (collectively, "UBRH") desires to induce the Issuer to sponsor and issue limited obligation private activity bonds to help fund the rail surface transportation and freight transfer facilities project and related improvements in an amount of not more than \$2,400,000,000; and

WHEREAS, in order to achieve the purposes of the Issuer, as authorized by its members and by the Interlocal Act, the Issuer desires to help finance the acquisition, 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 DHIP or an affiliated entity, such as UBRH, which is owned and controlled by DHIP, 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 and a benefit to the state of Utah 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 \$2,400,000,000; 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 or any political subdivision 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 in the best interests of said Issuer that execution of said Memorandum of Inducement Agreement be authorized for and on behalf of the Issuer; and

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

NOW, THEREFORE, Be It Resolved by the Governing Board of the 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 attached, 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 Interlocal Cooperation Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on May 8, 2025, 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 Two Billion Four Hundred Million Dollars (\$2,400,000,000) (the “Bonds”) to finance the acquisition, 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 Drexel Hamilton Infrastructure Partners Fund II, LLC, or its affiliate Uintah Basin Railway Holdings, LLC, or an affiliate entity thereof, including Uinta Basin Railway, LLC and Uinta Basin Terminal, LLC (the “Borrower”).

NOTICE IS FURTHER GIVEN that the Issuer hereby calls a public hearing with respect to the Bonds on June 12, 2025, at 10:00 a.m., with an anchor location at the Carbon County Commission Chambers at 751 E. 100 N., Price, Utah, and a satellite location connected by electronic transmission 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 from the Kyune, Utah area near Soldier Summit in Utah County to the Uinta Basin area, 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 also 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 Federal 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 Secretary and 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 May 8, 2025.

/s/ Stacey Herpel
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, The Stratton Law Firm, PLLC and co-bond counsel, Foley & Lardner LLP, and associated professionals, including the Issuer's municipal advisor, Cody Deter of EFG Consulting, LLC, 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.

Passed and approved this May 8, 2025, by the Governing Board of Seven County Infrastructure Coalition, Utah.

SEVEN COUNTY INFRASTRUCTURE
COALITION, UTAH



CO-CHAIR

CO-CHAIR

ATTEST:



Stacey Dugay
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 May 8, 2025 (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
Jack Lytle	Co-Chair - Daggett
Jared Haddock	Board member - Carbon
Sonja Norton	Board member – Uintah
Dennis Worwood	Board member – Emery
Silvia Stubbs	Board member – San Juan
Greg Jensen	Board member - Sevier

Also present:

Keith Heaton	Executive Director
Stacey Herpel	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 Jensen and seconded by Miles, and the Resolution was put to a vote and carried, the vote being as follows:

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

Those Abstaining:

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, Stacey Herpel, 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 May 8, 2025 (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 Secretary and Carbon County Clerk/Auditor at 751 E. 100 N., in Price, Utah, on May 8, 2025 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 May 8, 2025.

(SEAL)





Secretary

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

**CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW**

I, Stacey Herpel, 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 May 8, 2025 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 2025 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 2025 was (1) posted on Jan 1, 2025, 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 Jan 1, 2025, and (3) posted on the Utah Public Notice Website on Jan 1, 2025.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 8, 2025.





Secretary

[Attach Schedule 1, Meeting Notice]

[Attach Schedule 2, Annual Meeting Notice]

EXHIBIT A

**NOTICE OF ANNUAL MEETING SCHEDULE OF THE
SEVEN COUNTY INFRASTRUCTURE COALITION
2025**

For 2025, the Board of the Seven County Infrastructure Coalition, Utah, will hold its regular meeting at 10:00 a.m., or as soon thereafter as feasible, the second Thursday of each month, except as noted below. See below.

DATES

January 9, 2025	* February 13, 2025
March 13, 2025	April 10, 2025
May 8, 2025	June 12, 2025
July 10, 2025	August 14, 2025
September 11, 2025	October 9, 2025
November 13, 2025	December 11, 2025

Meetings will be held in person at the Carbon County Commission Chambers, located at 751 East 100 North, Price, Utah 84501, please double check meeting locations on the Seven County website (7countyUtah@gmail.com) prior to monthly meetings. Questions or concerns should be directed to Stacey Herpel, 435-817-0025

*Location to be Announced



Stacey Herpel <stacey@7county.utah.gov>

Public Notice Updated for Governing Board

1 message

support@helpdesk.utah.gov <support@helpdesk.utah.gov>
To: stacey@7county.utah.gov

Tue, May 6, 2025 at 10:36 PM

Utah Public Notice

Revised Notice

Governing Board

SCIC 2025 Meeting Schedule

Notice Date & Time: 1/1/25 10:24 PM

Description/Agenda:

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*Location to be Announced

Notice of Special Accommodations:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Stacey Herpel @ 385-337-0033 or stacey@7county.utah.gov

Notice of Electronic or telephone participation:

None

Other information:

Location:

751 East 100 North, Price, 84501

Contact information:

Stacey Herpel , stacey@7county.utah.gov, 385-337-0033

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 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, including any amendments thereto.

EXHIBIT "D"

FORM OF FINAL BOND RESOLUTION

[See Transcript Document No. ____]