



**U.S. Department
of Transportation**

Office of the Secretary
of Transportation

1200 New Jersey Avenue SE
Washington, DC 20590

March 6, 2020

PROVISIONAL BOND ALLOCATION APPROVAL LETTER

Mr. Jeff Swiatek
Chief Financial Officer
DesertXpress Enterprises, LLC
6700 Via Austi Parkway, Suite B
Las Vegas, NV 89119

Dear Mr. Swiatek:

Thank you for your May 20, 2019 application for an allocation of private activity bond authority for the Virgin Trains – West Expansion Passenger Rail Project (the project).

This letter informs you that the U.S. Department of Transportation (DOT) has reviewed the application and applicable statutory and regulatory requirements, and is provisionally allocating up to \$1 billion of private activity bond authority to the California Infrastructure and Economic Development Bank (IBank) and State of Nevada Department of Business and Industry (Nevada DBI), as requested in your application. The bond authority is allocated for the project described in that application with the conditions listed below.

First, a final bond counsel tax and validity opinion must be issued at the time of the closing of the bond issue in substantially the form that you provided with the application.

Second, this provisional allocation will automatically expire on September 30, 2020. Any portion of the private activity bond authority allocated for the project that has not been used for the issuance of bonds by that date will automatically return to DOT's remaining aggregate amount of private activity bond authority, and will be available for reallocation to other eligible applicants. If this provisional allocation expires, you may resubmit an application, and it will be reviewed without preference or priority being given as a result of your prior submission.

Third, please notify the Build America Bureau immediately upon issue of any and all bonds allocated for the project.

DOT appreciates your interest in the private activity bond program and we look forward to the successful financing and delivery of your project. For additional information or questions, please contact Alfiya Mirzagalyam in the Build America Bureau at (202) 366-2988.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Szabat", with a stylized, flowing script.

Joel Szabat

Assistant Secretary, Aviation International Affairs

Performing the Duties of Under-Secretary of Transportation for Policy

cc: Assistant Secretary for Budget & Programs, Office of the Secretary
General Counsel, Office of the Secretary
Executive Director, Build America Bureau
Bond Program Manager, California Infrastructure
and Economic Development Bank
Director, State of Nevada Department of Business and Industry